
Derman, Barbara (DHHS)

From: Derman, Barbara (DHHS)
Sent: Thursday, November 17, 2016 10:35 AM
To: Kevin Bagatta
Subject: RE: Draft Response to Real Alternatives Questions

Hi Kevin,

I had a morning meeting that just ended. I am available this afternoon for a call. 517-335-8696 is my desk phone

Barbara (Quess) Derman, MSW

Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

From: Kevin Bagatta [mailto:ra-president@comcast.net]
Sent: Wednesday, November 16, 2016 5:10 PM
To: Derman, Barbara (DHHS) <DermanB@michigan.gov>
Subject: Re: Draft Response to Real Alternatives Questions

Hi quess,

I'd like to talk to you tomorrow for 5 minutes – are you available after 10:00?

Kevin

From: "Derman, Barbara (DHHS)" <DermanB@michigan.gov>
Date: Wednesday, November 16, 2016 at 4:53 PM
To: Kevin Bagatta <ra-president@comcast.net>
Cc: "Dunbar, Paulette Dobynes (DCH)" <dunbarp@michigan.gov>, "Charest, Deanna (DCH)" <CharestD@michigan.gov>
Subject: FW: Draft Response to Real Alternatives Questions

Good afternoon Kevin,

Please see our response to each of your questions below in blue. Please let me know if you need any further clarification. Thanks

Barbara (Quess) Derman, MSW

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DermanB@michigan.gov

From: Kevin Bagatta [mailto:ra-president@comcast.net]
Sent: Wednesday, November 02, 2016 5:30 PM
To: Derman, Barbara (DHHS) <DermanB@michigan.gov>; Tom Lang <ra-operations@comcast.net>
Cc: Dunbar, Paulette Dobynes (DHS) <dunbarp@michigan.gov>
Subject: Re: Contract amendment 2017

Hi Quess:

We need a little guidance from you so we can provide the budget as you like.

- 1) We project about \$167,000 unspent funds remaining from the \$850,000 funds by December 31, 2016. I assume those funds will roll-over with the new \$400,000 – right? Real Alternatives will retain the unspent funds in the extended contract, in which the new allocation of \$400K will be added.
- 2) The term of the new amendment will be through December 31, 2017 – right? Yes, we were thinking that the amendment should be through December 2017.
- 3) In our proposed budget, you want to see the total as \$1,950,000? Yes, since we are rolling the 2017 allocation into the original contract and extending the ending date a year (12-31-2017).
- 4) For our cost allocation process, we need to spend the remaining Michigan state funds first before we use the Federal funds – Ok? Yes, we understand that the Michigan funds must be expended before the federal funds to avoid a supplanting issue.
- 5) We would love for you to accompany us on our site monitorings to see our review procedures and meet these remarkable counselors. Thanks, I look forward to accompany you on site visits. We are also developing a tool for our monitoring purposes from a state contract and TANF compliance perspective. We have just begun to develop the tool and will share it with you for comments prior to our visit.

Thanks,

Kevin

From: "Derman, Barbara (DHHS)" <DermanB@michigan.gov>

Date: Monday, October 31, 2016 at 4:26 PM

To: Kevin Bagatta <ra-president@comcast.net>, "Thomas A. Lang" <ra-operations@comcast.net>

Cc: "Dunbar, Paulette Dobynes (DCH)" <dunbarp@michigan.gov>

Subject: Contract amendment 2017

Good afternoon Kevin,

We would like to amend your contract to include the 2017 allocation of TANF funding to the program. As this year's funding is federal dollars, the new amendment will need to reflect federal funding and CDFA compliance..

Please complete a new budget for the year adding your 400,000 allocation and our budget office will prepare the contract and get it to you as soon as possible.

Also this year as you are now up and fully serving clients, we would like to plan up to three site visits to sub-recipients. I looking forward to meeting some of your service workers.

Barbara (Quess) Derman, MSW

Public Health Consultant, Reproductive & Preconception Health

Michigan Department of Health and Human Services

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DermanB@michigan.gov

Derman, Barbara (DHHS)

From: Derman, Barbara (DHHS)
Sent: Thursday, November 17, 2016 1:12 PM
To: Dunbar, Paulette Dobynes (DHHS)
Cc: Lucie Taylor
Subject: FW: Real Alternatives Financial Stmtns
Attachments: Financial Statements 06-30-2016 Audit Final[1].pdf

Paulette, I can't recall if I sent this to you earlier. The TANF specific part is found pp.31-37

Barbara (Quess) Derman, MSW
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DermanB@michigan.gov

From: Cliff [mailto:ra-finance@comcast.net]
Sent: Friday, November 11, 2016 3:00 PM
To: Derman, Barbara (DHHS) <DermanB@michigan.gov>
Cc: Tom Lang <ra-operations@comcast.net>
Subject: Real Alternatives Financial Stmtns

Ms. Derman,
Please see attached copy of our recently completed audit for FY 15-16. Thank you for all your assistance in assuring the success of the program.
Best Regards,
Cliff

REAL ALTERNATIVES
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2016 AND 2015
AND
INDEPENDENT AUDITOR'S REPORT



McKONLY & ASBURY

REAL ALTERNATIVES

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REAL ALTERNATIVES

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Real Alternatives
Harrisburg, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of Real Alternatives (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Real Alternatives as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and other supplementary information on pages 18 through 30 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2016, on our consideration of Real Alternatives' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Real Alternatives' internal control over financial reporting and compliance.

McKonly & Asbury, LLP

Camp Hill, Pennsylvania
November 3, 2016

REAL ALTERNATIVES

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2016 AND 2015

ASSETS

	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 2,243,438	\$ 1,701,182
Accounts receivable	368,012	318,393
Accounts receivable - Service Provider advances	-	33,500
Prepaid expenses and other receivables	8,603	4,546
Inventories	<u>53,878</u>	<u>61,890</u>
Total current assets	<u>2,673,931</u>	<u>2,119,511</u>
Equipment, furniture, and fixtures (net of accumulated depreciation of \$175,502 and \$217,300)	<u>51,859</u>	<u>79,749</u>
Total assets	<u>\$ 2,725,790</u>	<u>\$ 2,199,260</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 1,426,577	\$ 1,562,036
Line of credit	29,080	22,150
Accrued expenses	27,610	28,215
Refundable advance - DHS Grant	590,603	-
Operating advance payable - MDCH Grant	<u>116,666</u>	<u>116,666</u>
Total current liabilities	<u>2,190,536</u>	<u>1,729,067</u>
Net assets		
Temporarily restricted	253	-
Unrestricted	<u>535,001</u>	<u>470,193</u>
Total net assets	<u>535,254</u>	<u>470,193</u>
Total liabilities and net assets	<u>\$ 2,725,790</u>	<u>\$ 2,199,260</u>

The accompanying notes are an integral
part of these financial statements.

REAL ALTERNATIVES
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support			
Contributions	\$ 25,181	\$ 929	\$ 26,110
Pennsylvania Program Revenue			
Pregnancy & Parenting Support Services			
Program - DHS Grant	6,672,397	-	6,672,397
Program Development and Advancement Agreement	156,783	-	156,783
Michigan Program Revenue			
Pregnancy & Parenting Support Services			
Program - MDCH Grant	676,676	-	676,676
Program Development and Advancement Agreement	8,138	-	8,138
Indiana Program Revenue			
Pregnancy & Parenting Support Services			
Program - ISDH Grant	2,023,520	-	2,023,520
Program Development and Advancement Agreement	40,764	-	40,764
National Division Revenue			
Program Use Fee	-	-	-
Contracted Services Revenue	345	-	345
Interest income	1,306	3,220	4,526
Other income	4,425	-	4,425
Net assets released from restrictions	<u>3,896</u>	<u>(3,896)</u>	<u>-</u>
Total revenues, gains, and other support	<u>9,613,431</u>	<u>253</u>	<u>9,613,684</u>
Expenses			
Program Services			
Pennsylvania Pregnancy and Parenting Support Services Program			
DHS Grant, net of PA Program fundraising expense of \$70	6,697,035	-	6,697,035
Michigan Pregnancy and Parenting Support Services Program			
MDCH Grant - Michigan Program	680,540	-	680,540
Indiana Pregnancy and Parenting Support Services Program			
ISDH Grant - Indiana Program	2,004,339	-	2,004,339
National Division			
Services to Other State Programs	37,138	-	37,138
Prevention Programs	49,763	-	49,763
Supporting Services, Management & General Fundraising	78,092	-	78,092
	<u>1,716</u>	<u>-</u>	<u>1,716</u>
Total expenses	<u>9,548,623</u>	<u>-</u>	<u>9,548,623</u>
Change in net assets	64,808	253	65,061
Net assets, beginning of year	<u>470,193</u>	<u>-</u>	<u>470,193</u>
Net assets, end of year	<u>\$ 535,001</u>	<u>\$ 253</u>	<u>\$ 535,254</u>

The accompanying notes are an integral part of these financial statements.

REAL ALTERNATIVES
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support			
Contributions	\$ 12,680	\$ 4,551	\$ 17,231
Pennsylvania Program Revenue			
Pregnancy & Parenting Support Services Programs -			
DHS Grant	6,694,000	-	6,694,000
Program Development & Advancement Agreement	174,792	-	174,792
Michigan Program Revenue			
Pregnancy & Parenting Support			
Services Program - MDCH Grant	340,917	-	340,917
Program Development and Advancement Agreement	4,702	-	4,702
Indiana Program Revenue			
Pregnancy & Parenting Support			
Services Program- ISDH Grant	701,049	-	701,049
Program Development and Advancement Agreement	18,033	-	18,033
National Division Revenue			
Program Use Fee	10,000	-	10,000
Contracted Services Revenue	10,048	-	10,048
Interest income	5,009	-	5,009
Other income	2,992	-	2,992
Net assets released from restrictions	4,551	(4,551)	-
Total revenues, gains, and other support	<u>7,978,773</u>	<u>-</u>	<u>7,978,773</u>
Expenses			
Program Services			
Pennsylvania Pregnancy and Parenting Support Services			
Program			
DHS Grant, net of PA Program fundraising			
expense of \$267	6,740,369	-	6,740,369
Michigan Pregnancy and Parenting Support Services			
Program			
MDCH Grant - Michigan Program	344,034	-	344,034
Indiana Pregnancy and Parenting Support Services			
Program			
ISDH Grant - Indiana Program	688,042	-	688,042
National Division			
Services to Other State Programs	58,495	-	58,495
Prevention Programs	53,511	-	53,511
Supporting Services, Management &			
General	80,029	-	80,029
Fundraising	791	-	791
Total expenses	<u>7,965,271</u>	<u>-</u>	<u>7,965,271</u>
Change in net assets	13,502	-	13,502
Net assets, beginning of year	<u>456,691</u>	<u>-</u>	<u>456,691</u>
Net assets, end of year	<u>\$ 470,193</u>	<u>\$ -</u>	<u>\$ 470,193</u>

The accompanying notes are an integral
part of these financial statements.

REAL ALTERNATIVES

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016

	Program Services:												Supporting Services:			
	Pennsylvania Pregnancy and Parenting Support Services Program				Michigan Pregnancy and Parenting Support Services Program				Indiana Pregnancy and Parenting Support Services Program				National Division			
	DHS Administrative	DHS Project Services	DHS Fundraising	DHS Total	MDCH Administrative	MDCH Project Services	MDCH Total	ISDH Administrative	ISDH Project Services	ISDH Total	Other State Programs	Services to ISDH	Programs and Health Education	Prevention and General	Support Management and General	Fundraising
Salaries, wages, and benefits	\$ 23,276	\$ 230,824	\$ -	\$ 465,100	\$ 29,104	\$ 32,607	\$ 61,711	\$ 57,653	\$ 36,529	\$ 94,182	\$ 27,047	\$ 25,715	\$ 42,388	\$ 888	\$ 717,131	
Salaries and wages	\$ 4,159	\$ 3,646	-	\$ 7,805	\$ 650	\$ 1,220	\$ 960	\$ 841	\$ 266	\$ 50	\$ 413	-	-	-	-	\$ 11,575
Unused sick leave paid	17,448	18,395	-	35,843	1,515	2,347	3,862	2,942	2,880	5,322	1,228	1,994	2,937	53	50,339	
Payroll taxes	57,524	33,097	-	90,721	7,119	4,074	11,193	10,115	5,762	15,877	4,252	2,409	5,387	213	130,552	
Health and group life insurance	1,229	1,006	-	2,235	125	103	228	178	145	323	49	192	77	6	3,110	
Workers' compensation																
Total salaries, wages, and benefits	314,736	286,968	-	601,704	36,513	39,701	78,214	71,848	45,657	117,305	32,862	30,380	50,302	1,160	912,507	
Professional development	3,376	-	-	3,376	912	-	912	1,203	-	1,303	-	46	558	-	-	6,195
Consulting	19,690	13,358	-	33,048	1,235	2,853	4,088	2,398	4,875	7,273	-	101	582	-	-	45,392
Postage/shipping	8,474	-	-	8,474	1,231	-	940	-	940	-	-	523	34	247	-	11,449
Auditing	15,829	-	3	15,832	1,614	-	1,614	2,305	-	2,305	342	1,326	543	38	-	22,300
Travel/lodging	231	4,927	-	5,158	4	1,288	1,292	4	911	915	662	365	1,061	-	-	9,453
Office rent	48,095	-	10	48,105	4,974	-	4,974	7,164	-	7,164	1,050	4,190	1,667	137	67,887	
Telephone/fax	9,667	-	2	9,659	1,242	-	1,242	1,800	-	1,800	549	771	653	29	14,713	
Property/liability insurance	2,249	-	1	2,250	230	-	230	325	-	325	49	193	78	6	3,131	
Directors/officers liability insurance	5,482	-	1	5,483	560	-	560	792	-	792	120	471	190	14	7,530	
Office supplies	21,283	-	9	21,292	1,575	-	1,575	5,032	-	5,032	1,019	479	1,744	-	-	31,141
Service contracts	2,495	-	1	2,496	248	-	248	359	-	359	52	197	82	5	3,139	
Information/training	-	99,312	-	99,312	-	70,362	-	87,456	-	87,456	-	600	-	-	-	257,730
Advertising	-	557,562	-	557,562	-	167,819	-	404,310	-	404,310	361	9,834	2,714	-	-	1,142,520
Mining/seminars	-	9,084	-	9,084	-	-	-	-	-	-	-	7,533	-	-	-	16,517
Client services~counseling	-	5,202,336	-	5,202,336	-	337,489	-	1,357,014	-	1,357,014	-	-	-	-	-	6,896,339
Hotline/referral system	-	4,373	1	4,374	-	372	-	608	608	608	72	257	114	10	5,337	
Pregnancy test kits	-	32,634	-	32,634	-	2,987	-	2,006	-	2,006	-	-	-	-	-	37,527
403B contribution	9,345	6,912	-	16,257	760	798	1,558	1,701	739	2,440	-	6,753	-	-	-	27,088
Fundraising	-	-	42	42	-	-	-	-	-	-	-	-	-	-	-	42
Prior year service provider reimbursement returned to the program offices	-	7,676	(\$4,612)	-	(\$4,612)	-	(\$6,767)	-	(\$5,971)	(\$1,903,241)	(\$1,996,312)	(\$37,138)	(\$49,763)	(\$75,108)	-	(\$4,347)
Salvage value of assets disposed of	-	-	-	-	15,553	203	3,570	3,773	203	4,824	5,027	-	-	2,984	-	7,676
Total expenses before depreciation	468,628	6,212,854	\$ 70	\$ 6,697,105	\$ 53,301	\$ 627,239	\$ 680,540	\$ 96,174	\$ 1,903,165	\$ 2,004,339	\$ 37,138	\$ 49,763	\$ 78,092	\$ 1,646	\$ 9,548,623	
Depreciation expense	15,553	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,337
Total functional expenses	\$ 484,181	\$ 6,212,854	\$ 70	\$ 6,697,105	\$ 53,301	\$ 627,239	\$ 680,540	\$ 96,174	\$ 1,903,165	\$ 2,004,339	\$ 37,138	\$ 49,763	\$ 78,092	\$ 1,646	\$ 9,548,623	

The accompanying notes are an integral part of these financial statements.

REAL ALTERNATIVES

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2015

Administrative	Pennsylvania Pregnancy and Parenting Support Service				Michigan Pregnancy and Parenting Support Service				Indiana Pregnancy and Parenting Support Service				National Division				Supporting Services			
	Program		DHS		MDCH		ISDH		ISDH		ISDH		Other State Programs		Health Education and General Management		Support		Fundraising	
	DHS Project Services	Fundraising	Total DHS	Administrative	MDCH Project Services	Total MDCH	ISDH Adminis-trative Services	Total ISDH	ISDH Project Services	Total ISDH	ISDH Project Services	Total ISDH	National Programs	Other State Programs	Health Education and General Management	Support	Fundraising	Total		
Salaries, wages, and benefits																				
Salaries and wages	\$ 255,124	\$ 209,977	\$ -	\$ 465,101	\$ 19,093	\$ 19,615	\$ 38,708	\$ 32,671	\$ 17,986	\$ 50,657	\$ 43,065	\$ 19,895	\$ 49,167	\$ 332	\$ 666,925					
Unused sick leave paid	3,662	1,801	-	5,463	516	254	770	458	225	683	310	165	457	-	7,348					
Payroll taxes	21,054	18,792	-	39,846	1,125	1,570	2,695	1,851	1,213	3,064	1,665	1,580	2,461	5	51,116					
Health and group life insurance	60,522	34,491	-	95,013	5,742	3,327	9,069	6,202	3,561	9,763	6,422	1,815	7,168	59	129,399					
Workers' compensation	1,410	1,128	2	2,540	95	76	171	94	75	169	97	123	104	1	3,205					
Employee drug screen	66	132	-	198	-	-	-	-	-	-	-	-	-	-	1	3,205				
Total salaries, wages, and benefits	341,838	266,321	2	608,161	26,571	24,842	51,413	41,276	23,060	64,336	51,559	23,578	59,357	397	858,801					
Professional development	4,235	-		4,235	210	-	210	315	-	315	118	359	77	-	5,314					
Consulting	13,336	14,381	-	27,717	472	5,655	6,127	766	6,855	7,621	1,981	-	1,500	-	44,946					
Postage/shipping	3,404	-	136	3,540	451	-	451	575	-	575	85	120	276	100	5,147					
Auditing	16,641	-	11	16,652	1,119	-	1,119	1,108	-	1,108	654	806	677	5	21,001					
Travel/lodging	21	5,504	-	34	50,744	3,397	-	6	1,448	1,448	140	1,242	838	-	9,199					
Office rent	50,710	-	6	10,690	748	-	748	855	-	855	770	518	608	13	63,546					
Telephone/fax	10,084	-	2	2,456	165	-	165	165	-	165	94	119	100	5	13,594					
Property/liability insurance	2,454	-	2	5,866	395	-	395	396	-	396	221	284	239	1	3,100					
Directors/officers liability insurance	5,862	-	4	15,741	1,801	-	1,801	1,328	-	1,328	29	128	1,553	2	20,380					
Office supplies	15,741	-	1	2,168	144	-	144	149	-	149	68	105	83	-	2,177					
Service contracts	2,167	-	935	-	935	6,545	-	162	-	162	162	-	1,302	-	8,944					
Information/training	-	114,482	-	114,482	-	34,888	34,888	-	54	54	702	22,355	(2,733)	-	169,748					
Advertising	-	6,831	-	6,831	-	-	-	-	-	-	-	-	6,416	-	13,247					
Meetings/seminars	-	100	-	100	-	-	-	-	-	-	-	-	-	-	100					
Minor equipment	-	5,816,808	-	5,816,808	-	231,242	231,242	-	601,112	601,112	226	131	163	138	1	6,649,626				
Client services-counseling	-	4,795	-	4,795	4,795	-	232	232	-	226	-	-	-	-	5,086					
Toll-free referral system	-	34,749	-	34,749	-	665	665	-	-	-	-	-	-	-	35,414					
Pregnancy test kits	-	5,555	-	15,369	507	397	904	901	417	1,318	-	-	5,863	-	23,544					
403b contribution	-	-	71	71	-	-	-	-	-	-	-	-	-	-	71					
Fundraising	-	-	(21,103)	-	-	(21,103)	-	-	-	-	-	-	-	-	(21,103)					
Prior year service provider reimbursements returned to DHS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Total expenses before depreciation	476,307	6,249,358	267	6,725,932	35,980	304,472	340,452	51,168	633,334	684,502	58,495	53,511	77,055	524	7,940,471					
Depreciation expense	14,704	-	-	14,704	12	3,570	3,562	12	3,528	3,540	-	-	2,574	-	24,800					
Total functional expenses	\$ 491,011	\$ 6,249,358	\$ 267	\$ 6,740,636	\$ 35,992	\$ 308,042	\$ 344,034	\$ 51,180	\$ 636,862	\$ 688,042	\$ 58,495	\$ 53,511	\$ 80,029	\$ 524	\$ 7,965,711					

The accompanying notes are an integral part of these financial statements.

REAL ALTERNATIVES
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets	\$ 65,061	\$ 13,502
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	27,337	24,800
Loss on disposal of assets	7,676	-
(Increase) decrease in		
Accounts receivable	(49,619)	(302,656)
Accounts receivable - Service Provider advances	33,500	-
Prepaid expenses and other receivables	(4,057)	96
Inventories	8,012	49,076
Increase (decrease) in		
Accounts payable	(135,459)	451,404
Accrued expenses	(605)	6,426
Refundable advance - DHS grant	<u>590,603</u>	<u>-</u>
Net cash provided by operating activities	<u>542,449</u>	<u>242,648</u>
Cash flows from investing activities		
Purchase of equipment, furniture and fixtures	<u>(7,123)</u>	<u>(24,274)</u>
Net cash used in investing activities	<u>(7,123)</u>	<u>(24,274)</u>
Cash flows from financing activities		
Net change in line of credit	<u>6,930</u>	<u>(11,328)</u>
Net cash provided by (used in) financing activities	<u>6,930</u>	<u>(11,328)</u>
Increase in cash	542,256	207,046
Cash and cash equivalents - beginning	<u>1,701,182</u>	<u>1,494,136</u>
Cash and cash equivalents - ending	<u>\$ 2,243,438</u>	<u>\$ 1,701,182</u>

The accompanying notes are an integral
part of these financial statements.

REAL ALTERNATIVES

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES

Real Alternatives (the Organization) exists to provide life-affirming alternatives to abortion services throughout the nation. These compassionate support services empower women to protect their reproductive health, avoid crisis pregnancies, choose childbirth rather than abortion, receive adoption education, and improve parenting skills.

In the Pennsylvania Program, the Organization acts as the statewide administrator for the PA Alternative to Abortion Program (PATA) (also known as Pennsylvania Pregnancy and Parenting Support Service Program), funded by the Commonwealth of Pennsylvania Department of Human Services (DHS) to provide alternatives to abortion services to eligible clients to empower women to be able to choose childbirth over abortion. Under the contract, the Organization receives reimbursements on a quarterly basis for expenses incurred in carrying out the provisions of the contract. The Organization receives funding from the U.S. Department of Health and Human Services (HHS) through its Temporary Assistance for Needy Families (TANF) program. The money is passed through from HHS to DHS and then received by the Organization.

The Organization entered into a contract with the State of Michigan to administer an alternatives to abortion program funded in the amount of \$700,000 through the Michigan Department of Community Health in the central and southern part of the state, and it is known as the "Michigan Pregnancy and Parenting Support Services Program." The contract, effective October 1, 2013, was extended to December 31, 2016, by the state of Michigan and at the same time was increased by an additional \$850,000. The program is very similar to the Pennsylvania program; however, it is funded fully with state funds and no TANF money. Under the contract, the Organization receives reimbursements on a monthly basis for expenses incurred in carrying out the provisions of the contract. Start-up expenses were incurred by the Organization after the contract was signed on December 13, 2013. The first Service Provider Services Rendered Form was submitted in mid-June 2014.

The Organization also entered into a contract with the State of Indiana to administer an alternatives to abortion program funded at \$1,000,000 through the Indiana State Department of Health in the northern part of the state, and it is known as the "Indiana Pregnancy and Parenting Support Services Program." The contract was effective October 1, 2014, and it was renewed at the end of the first year in the amount of \$3,500,000 to continue through September 30, 2016. The program is very similar to the Pennsylvania and Michigan programs; however, it is funded fully with TANF money and no state funds. Under the contract, the Organization receives reimbursements on a monthly basis for expenses incurred in carrying out the provisions of the contract.

Under the National Division, pursuant to its agreements with the Texas Pregnancy Care Network (TPCN), the Organization realized revenue through the year ended June 30, 2015. For the year ended June 30, 2016, the Organization only realized revenue from TPCN related to Hotline services provided.

(continued)

REAL ALTERNATIVES

NOTES TO FINANCIAL STATEMENTS

Real Alternatives continues to consult with other states interested in starting government funded alternatives to abortion in their state.

In addition, Real Alternatives continued to publish and advertise the Concerned Parents Report website, www.concernedparents.com. Concerned Parents Report is a national internet publication of the Organization dedicated to reporting information and imparting knowledge to parents so that they can empower their children to make the healthiest choice for their reproductive health – living a chaste lifestyle. During fiscal year 2015/2016, 10,847 individuals throughout the world viewed health information and studies on 50,086 web pages.

In fiscal year 2015/2016, Real Alternatives continued to publish updated health information on its LoveFacts website. The organization promotes chastity, through the LoveFacts website, as the best way to prevent sexually transmitted diseases and unexpected pregnancies. The organization educates high school and college students about the importance of living a chaste lifestyle at many national conferences.

Real Alternatives partnered with another program of Students for Life America, Medical Students for Life, to educate medical students about the benefits of chastity in avoiding sexually transmitted diseases and unexpected pregnancies. Over 241 medical students in 6 universities across the United States received this information on the LoveFacts website. The Organization again sponsored the Love and Fidelity Network Annual Conference, “Sexuality, Integrity and the University” at Princeton University. This event was attended by nearly 300 students representing 50 colleges from around the country who received information on the LoveFacts website. The Organization again sponsored the Cardinal O’Connor Conference on Life at Georgetown University. It is the largest student run pro-life conference in the country with over 500 students attending this event.

For the LoveFacts.org website overall, in 2015/2016, 7,999 individuals viewed the health information and studies on 29,302 web pages.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, net assets of Real Alternatives and changes therein are classified and reported as follows:

Unrestricted net assets are not restricted by donors, or the donor-imposed restrictions have expired.

(continued)

REAL ALTERNATIVES

NOTES TO FINANCIAL STATEMENTS

Temporarily restricted net assets contain donor-imposed restrictions that permit the Organization to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by actions of the Organization.

Permanently restricted net assets consist of property contributed which contain donor-imposed restrictions that stipulate the resources be maintained permanently but permit the Organization to use, or expend part or all of the income derived from, the donated assets for specified purposes.

Revenue and Support Recognition

The Organization recognizes contract revenues in the statements of activities to the extent that expenses have been incurred for the purpose specified by the granting agency during the period. In applying this concept, the legal and contractual requirements of the grant are used as guidance.

Contributions received by the Organization are recorded as unrestricted, temporarily restricted, or permanently restricted support. This requirement is dependent on the existence and/or nature of any donor restrictions. All other donor-restricted support is reported as an increase in temporarily restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Cash Equivalents

Real Alternatives considers all unrestricted, highly liquid deposits to be cash equivalents.

Accounts Receivable

No allowances for uncollectible accounts receivable are deemed necessary as of June 30, 2016 and 2015.

Inventories

Inventories are stated at the lower of cost or market.

Equipment, Furniture, and Fixtures

Purchases of equipment, furniture, and fixtures having a unit cost of \$600 or more are capitalized at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to five years.

(continued)

REAL ALTERNATIVES

NOTES TO FINANCIAL STATEMENTS

Upon cancellation or termination of the PA Alternatives to Abortion contracts, disposition of personal property with a remaining useful life that was purchased with DHS funds is subject to certain contract provisions. Specifically, those provisions permit the Organization, with approval from DHS, to transfer such property to another contractor designated by DHS or to reimburse DHS for the remaining life of the property, as determined by DHS, if the Organization wishes to retain or sell such property. Net property purchased and capitalized with DHS funds amounted to \$32,221 and \$52,705 as of June 30, 2016 and 2015.

The state of Michigan reserves the right to retain or transfer title to all items of equipment having a unit acquisition cost of \$5,000 or more to the extent that Michigan's proportionate interest in such equipment supports such retention or transfer of title. Net property purchased and capitalized with Michigan funds amounted to \$3,885 and \$7,296 as of June 30, 2016 and 2015.

Equipment purchased to support the contract with Indiana was done in accordance with TANF regulations per OMB Circular A-110. Net property purchased and capitalized with Indiana funds amounted to \$8,341 and \$13,008 as of June 30, 2016 and 2015.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. The costs related to the contracts have been summarized according to budget categories established by the state agencies.

Income Taxes

The Organization's operations are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization adheres to the provisions of Financial Accounting Standards Board (FASB) Codification 740, *Income Taxes* (ASC 740). ASC 740 establishes rules for recognizing and measuring tax positions taken in an income tax return, including disclosures of uncertain tax positions (UTPs). ASC 740 mandates that organizations evaluate all material income tax positions for periods that remain open under applicable statutes of limitation, as well as positions expected to be taken in future returns. The UTP rules then impose a recognition threshold on each tax position. A company can recognize an income tax benefit only if the position has a "more likely than not" (i.e., more than 50 percent) chance to being sustained on the technical merits. For the years ended June 30, 2016 and 2015, the Organization has taken no material tax positions on their applicable tax filings that do not meet the more likely than not threshold. As a result, no amount for UTPs has been included in the financial statements. The Organization believes it is no longer subject to income tax examinations for the fiscal years prior to the year ended June 30, 2013.

(continued)

REAL ALTERNATIVES

NOTES TO FINANCIAL STATEMENTS

Advertising Costs

The Organization follows the policy of charging the costs of communicating advertising to expense at the time the advertising takes place. Production advertising costs, when applicable, are charged to expense the first time the advertising takes place. Advertising expense for the PA program was \$557,562 and \$114,482 for the years ended June 30, 2016 and 2015. Expense for the Michigan program was \$167,819 and \$34,888 for the years ended June 30, 2016 and 2015. Expense for the Indiana program was \$404,310 and \$54 for the year ended June 30, 2016 and 2015.

Service Provider Adjustments

In the normal course of operations, adjustments may be made to current or prior year amounts paid to service providers. These adjustments, which may be material, are the results of the application of monitoring procedures, audit procedures, government agency audits, or the results of the final close out procedures for any given contract year. For prior year periods, these adjustments may result in amounts to be returned to the program office of the state agencies. The effects of current year service provider adjustments, prior period service provider adjustments, and any amounts returned to DHS, Michigan Department of Community Health, or Indiana Department of Health are reflected in the statements of activities when determined.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

In August 2016, the FASB issued Accounting Standard Update (ASU) 2016-14, *Presentation of Financial Statement of Not-for-Profit Entities*. The amendments in this ASU include two classes of net asset classifications, options for presenting cash flow from operations, and many additional disclosure requirements. This guidance is effective for fiscal years beginning after December 15, 2017.

Subsequent Events

Management evaluated subsequent events through November 3, 2016, the date the financial statements were available to be issued.

(continued)

REAL ALTERNATIVES

NOTES TO FINANCIAL STATEMENTS

3. EQUIPMENT, FURNITURE, AND FIXTURES

Equipment, furniture, and fixtures consist of the following at June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Equipment	\$ 138,619	\$ 209,029
Furniture and fixtures	30,055	29,333
Software	<u>58,687</u>	<u>58,687</u>
	227,361	297,049
Less accumulated depreciation and amortization	<u>(175,502)</u>	<u>(217,300)</u>
Net book value	<u>\$ 51,859</u>	<u>\$ 79,749</u>

Depreciation and amortization expense for the years ended June 30, 2016 and 2015, totaled \$27,337 and \$24,800.

4. LEASE

The Organization currently leases office space under a lease that expired June 30, 2016. Future lease renewals are dependent on funding from the Commonwealth of Pennsylvania. Future minimum payments required under the lease should be \$61,476 for the year ended June 30, 2017. Total rent expense was \$66,432 and \$61,808 for the years ended June 30, 2016 and 2015.

5. CONTRACTED SERVICES REVENUE

Revenue from TPCN totaled \$345 and \$10,048 for the years ended June 30, 2016 and 2015.

6. CONCENTRATION OF RISK

Cash

The Organization maintains its cash in bank accounts held by high credit quality institutions. Deposits at these institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. The balance of the cash was not insured or collateralized in the Organization's name, but was collateralized in accordance with Commonwealth of Pennsylvania Act 72 which requires the credit institution to pool collateral for all deposits and have the collateral held by an approved custodian in the institution's name.

(continued)

REAL ALTERNATIVES

NOTES TO FINANCIAL STATEMENTS

Contract Revenue

The Organization receives a substantial amount of its support from DHS. A significant reduction in the level of this support, if it were to occur, would have a significant effect on the Organization's program and activities. Grant support from the DHS amounted to \$7,263,000 and \$6,694,000 for the years ended June 30, 2016 and 2015. During those years, \$1,000,000 each year was from the Health and Human Services TANF block grant to the Commonwealth of Pennsylvania.

For the year ended June 30, 2016, the money received was for the fourth year of a five year grant agreement with The Department of Human Services totaling \$30,216,440. The term of the grant is for July 1, 2012, through June 30, 2017, with two additional optional one-year renewal periods.

Additional grant support from the Michigan Department of Community Health amounted to \$850,000 for the period ending December 31, 2016, of state funds, along with the \$700,000 for the period ending September 30, 2015.

Grant support from Indiana Department of Health amounted to \$3,500,000 of TANF funds for the year ending September 30, 2016.

7. AUDIT

The grants received by the Organization are subject to audit and verification by grantor agencies, principally DHS, MDCH and IDH. Any disallowed costs, including costs for which the Organization has already received payment, may result in a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time. However, as of the date of this report, management is unaware of any material adjustments that would be required as a result of such an audit.

The Organization was audited by the Pennsylvania Department of Human Services, Bureau of Financial Operations (BFO). The audit covered the period from July 1, 2012, to June 30, 2015. As of November 3, 2016, the BFO final audit report has been submitted to the office of Special Programs, but has not been finalized by the Department of Human Services.

8. LINE OF CREDIT

Real Alternatives has engaged FNB (formerly Metro Bank) as the organization's main depository. A line of credit with FNB (formerly Metro Bank) was obtained on April 10, 2014, using the funds received under the Commonwealth of Pennsylvania Department of Human Services Grant #4100060934 as security for the line of credit. As of June 30, 2016, there was a balance of \$29,080 on the \$500,000 line of credit. Interest on the line of credit with FNB (formerly Metro Bank) is 4%, per annum. The line of credit is reviewed annually for renewals and extensions.

(continued)

REAL ALTERNATIVES

NOTES TO FINANCIAL STATEMENTS

9. EMPLOYEE BENEFITS

Real Alternatives sponsors a 403(b) retirement savings plan to which all eligible employees of the Organization may contribute up to the maximum allowed by law. The Organization matches these contributions dollar for dollar up to 4% of the employee's salary contributed to the plan. The Organization's contribution was \$27,008 and \$23,454 for the years ended June 30, 2016 and 2015.

SUPPLEMENTARY INFORMATION

REAL ALTERNATIVES

**PENNSYLVANIA PREGNANCY & PARENTING SUPPORT SERVICES PROGRAM
DHS CONTRACT NO. 4100060934**

INVOICED REVENUE AND EXPENDITURES

YEAR ENDED JUNE 30, 2016

	<u>State Actual</u>	<u>State Budget</u>	<u>State Over (Under)</u>	<u>TANF Actual</u>	<u>TANF Budget</u>	<u>TANF Over (Under)</u>	<u>Total Actual</u>	<u>Total Budget</u>	<u>Total Over (Under)</u>
Administrative Personnel									
President & CEO	\$ 85,604	\$ 85,604	\$ -	\$ 13,655	\$ 13,655	\$ -	\$ 99,259	\$ 99,259	\$ -
Vice President of Administration	72,970	72,970	\$ 11,672	11,672	11,672	\$ 4,642	84,642	84,642	\$ -
Accountant	29,863	29,863	4,770	4,770	4,770	34,633	34,633	34,633	\$ -
Bookkeeper	13,574	13,574	2,168	2,168	2,168	15,742	15,742	15,742	\$ -
Unused sick	3,587	3,587	572	572	572	4,159	4,159	4,159	\$ -
Payroll taxes	15,045	15,045	2,402	2,402	2,402	17,447	17,447	17,447	\$ -
Workers' compensation insurance	1,060	1,060	169	169	169	1,229	1,229	1,229	\$ -
Employee group insurance	49,689	49,689	7,935	7,935	7,935	57,624	57,624	57,624	\$ -
Pension contribution	8,058	8,058	1,287	1,287	1,287	9,345	9,345	9,345	\$ -
Professional development and training	2,911	2,911	465	465	465	3,376	3,376	3,376	\$ -
Total personnel	282,361	282,361	-	45,095	45,095	-	327,456	327,456	-
Operating expenses									
Consulting	16,979	16,979	2,711	2,711	2,711	19,690	19,690	19,690	\$ -
Postage/shipping	7,307	7,307	1,167	1,167	1,167	8,474	8,474	8,474	\$ -
Auditing	13,649	13,649	2,180	2,180	2,180	15,829	15,829	15,829	\$ -
Travel/lodging	199	199	32	32	32	231	231	231	\$ -
Rent	41,472	41,472	6,624	6,624	6,624	48,096	48,096	48,096	\$ -
Telephone service	8,335	8,335	1,331	1,331	1,331	9,666	9,666	9,666	\$ -
General business liability insurance	1,940	1,940	310	310	310	2,250	2,250	2,250	\$ -
Directors/owners liability insurance	4,727	4,727	755	755	755	5,482	5,482	5,482	\$ -
Office expense	17,877	17,877	2,031	2,031	2,031	19,908	19,908	19,908	\$ -
Computer upgrades	2,366	2,366	378	378	378	2,744	2,744	2,744	\$ -
Resources Development	70	70	-	-	-	70	70	70	\$ -
Total operating expenses	114,921	114,921	-	17,519	17,519	-	132,440	132,440	-
Equipment	2,152	2,152	-	344	344	-	2,496	2,496	\$ -
Equipment service contracts									
Total administrative expenditures	399,434	399,434	-	62,958	62,958	-	462,392	462,392	-

(continued)

REAL ALTERNATIVES

PENNSYLVANIA PREGNANCY & PARENTING SUPPORT SERVICES PROGRAM
DHS CONTRACT NO. 4100060934

INVOICED REVENUE AND EXPENDITURES (Cont'd)

YEAR ENDED JUNE 30, 2016

Services	State Actual	State Budget	State Over (Under)	TANF Actual	TANF Budget	TANF Over (Under)	Total Actual	Total Budget	Total Over (Under)
Personnel									
Vice President of Operations	111,564	-	-	17,829	-	-	129,393	129,393	-
Contract Compliance Services	10,162	10,162	-	1,611	1,611	-	11,773	11,773	-
Services Coordinator	36,665	36,665	-	5,859	5,859	-	42,524	42,524	-
Billing Coordinator	5,752	5,752	-	919	919	-	6,671	6,671	-
Outreach Coordinator	11,321	11,321	-	1,798	1,798	-	13,119	13,119	-
Special Projects Coordinator	2,272	2,272	-	362	362	-	2,634	2,634	-
Services Assistant	9,394	9,394	-	1,501	1,501	-	10,895	10,895	-
LifeAid Hotline Counselors	11,819	11,819	-	1,888	1,888	-	13,707	13,707	-
Overtime	94	94	-	15	15	-	109	109	-
Unused sick	3,144	3,144	-	502	502	-	3,646	3,646	-
Payroll taxes	15,862	15,862	-	2,532	2,532	-	18,394	18,394	-
Workers' compensation insurance	867	867	-	139	139	-	1,006	1,006	-
Employee group insurance	28,539	28,539	-	4,557	4,557	-	33,096	33,096	-
Pension contribution	5,961	5,961	-	952	952	-	6,913	6,913	-
Total personnel	253,416	253,416	-	40,464	40,464	-	293,880	293,880	-
Operating									
Information and training materials	85,636	85,636	-	13,675	13,675	-	99,311	99,311	-
Services advertising	474,352	474,352	-	75,749	75,749	-	550,101	550,101	-
Travel	4,249	4,249	-	678	678	-	4,927	4,927	-
Services database consulting and development	11,519	11,519	-	1,840	1,840	-	13,359	13,359	-
Meetings/seminars	7,833	7,833	-	1,251	1,251	-	9,084	9,084	-
Counseling reimbursement	4,404,211	4,994,810	(590,599)	798,125	798,129	(4)	5,202,336	5,792,939	(590,603)
Hotline referral system	3,771	3,771	-	602	602	-	4,373	4,373	-
Total operating	4,991,571	5,582,170	(590,599)	891,920	891,924	(4)	5,883,491	6,474,094	(590,603)
Equipment									
Pregnancy test kits	27,980	27,980	-	4,654	4,654	-	32,634	32,634	-
Total services expenditures	5,272,967	5,863,566	(590,599)	937,038	937,042	(4)	6,210,005	6,800,608	(590,603)
Total administrative and services expenditures	\$ 5,672,401	\$ 6,263,000	\$ (590,599)	\$ 999,996	\$ 1,000,000	\$ (4) *	\$ 6,672,397	\$ 7,263,000	\$ (590,603) *

* See unused contract revenue returned to DHS (#5) of the reconciliation of cash received by Pennsylvania Pregnancy & Parenting Support Services Program to Statement of Functional Expense (page 20).

REAL ALTERNATIVES

RECONCILIATION OF CASH RECEIVED BY PENNSYLVANIA PREGNANCY & PARENTING SUPPORT SERVICES PROGRAM TO STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016

Cash received from PA Dept. of Human Services (DHS) by the Pennsylvania Pregnancy & Parenting Support Services Program Contract No. 4100060934	\$ 7,263,000
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Adjustments due to financial records being kept according to accounting
principles generally accepted in the United States of America
(GAAP) per contract with DHS, Contract No. 4100060934

1. Expenses classified as assets and liabilities not accounted for as functional expenses under GAAP	6,091
2. Depreciation expense	15,553
3. Salvage value of assets disposed of	7,676
4. Service provider funds from prior years returned to DHS	(4,612)
5. Unused contract revenue returned to DHS	<u>(590,603)</u>

Total functional expenses for Program Services -
Pennsylvania Pregnancy & Parenting Support Services Program, in accordance with GAAP \$ 6,697,105

REAL ALTERNATIVES

PENNSYLVANIA PREGNANCY & PARENTING SUPPORT SERVICES PROGRAM
DHS CONTRACT NO. 4100060934

STATEMENT OF PROGRAM GENERATED INCOME AND INTEREST EARNED

YEAR ENDED JUNE 30, 2016

	<u>Additional Cash Earned Available for Program Use</u>	<u>Total Expended for Counseling Reimbursement</u>	<u>Unused Balance</u>
Interest earned	\$ 2,967	\$ -	\$ 2,967
Other funds - contributions	<u>929</u>	<u>-</u>	<u>929</u>
	<u><u>\$ 3,896</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,896</u></u>

REAL ALTERNATIVES

MICHIGAN PREGNANCY AND PARENTING SUPPORT SERVICES PROGRAM
MDCH CONTRACT NO. 20142043

INVOICED REVENUE AND EXPENDITURES

	October 1, 2013 to June 30, 2016			July 1, 2015 to June 30, 2016			JULY 1, 2014 to JUNE 30, 2015			OCTOBER 1, 2013 to JUNE 30, 2014		
	State Actual	State Budget	Overs (Under)	State Actual	Overs (Under)	State Actual	State Actual	Overs (Under)	State Actual	State Actual	State Actual	
Administrative Personnel												
President & CEO	\$ 49,833	\$ 56,413	\$ (6,580)	\$ 20,328	\$ 12,175	\$ 17,330	\$ 2,366	1,392	1,740	1,366	1,044	
VP - Administration	14,094	18,289	(4,195)	7,137	-	-	37	-	-	-	-	
Assistant Director of Finance	1,777	1,777	-	-	-	-	-	-	-	-	-	
Accountant	3,803	5,372	(1,569)	1,314	-	1,123	-	-	-	-	-	
Bookkeeper	1,987	3,831	(1,844)	974	908	104	210	-	-	-	-	
Professional Development	940	1,412	(472)	730	-	-	-	-	-	-	-	
Accrued Vacation & Sick	-	-	-	-	-	-	-	-	-	-	-	
Payroll Taxes	4,047	5,583	(1,536)	1,514	1,125	1,408	-	-	-	-	-	
Workers Compensation Insurance	299	433	(134)	125	95	79	-	-	-	-	-	
Pension	1,834	2,883	(1,049)	760	506	567	-	-	-	-	-	
Employee Group Insurance	16,559	21,000	(4,441)	7,120	5,742	3,698	-	-	-	-	-	
Job Advertising	-	1,000	(1,000)	-	-	-	-	-	-	-	-	
New Employee Screening	-	500	(500)	-	-	-	-	-	-	-	-	
Total Personnel	95,173	118,493	(23,320)	40,002	27,287	27,884						
Operating Expenses												
Consulting	3,276	5,205	(1,929)	1,071	472	1,733	-	-	-	-	-	
Legal	164	1,000	(836)	164	-	-	-	-	-	-	-	
Postage/Shipping	1,802	3,105	(1,303)	1,231	451	119	-	-	-	-	-	
Auditing	3,580	5,199	(1,619)	1,614	1,119	848	-	-	-	-	-	
Travel/Lodging	313	813	(500)	4	-	309	-	-	-	-	-	
Rent	10,840	18,071	(7,231)	4,974	3,397	2,470	-	-	-	-	-	
Telephone Service	2,496	2,746	(250)	1,243	748	504	-	-	-	-	-	
General Business Liability Insurance	504	884	(380)	230	165	109	-	-	-	-	-	
Insurance-Directors & Officers	1,238	1,944	(706)	559	395	284	-	-	-	-	-	
Office Expense	4,928	13,105	(8,177)	1,666	2,267	995	-	-	-	-	-	
Computer Resources	11,899	13,399	(1,500)	-	-	11,899	-	-	-	-	-	
Total Operating	41,040	65,471	(24,431)	12,756	9,014	19,270						
Equipment Service Contracts	488	834	(346)	248	144	95	-	-	-	-	-	
Total administrative expenditures	136,701	184,798	(48,097)	53,006	36,445	47,249						
Michigan YTD Jun-2016 Administrative Expenses per June 2016 FSR submitted on 7/27/2016	136,701	184,798	(48,097)									

(continued)

REAL ALTERNATIVES

MICHIGAN PREGNANCY AND PARENTING SUPPORT SERVICES PROGRAM
MDCH CONTRACT NO. 20142043

INVOICED REVENUE AND EXPENDITURES (Cont'd)

	October 1, 2013 to June 30, 2016		July 1, 2015 to June 30, 2016		JULY 1, 2014 to JUNE 30, 2015		OCTOBER 1, 2013 to JUNE 30, 2014	
	State Actual	Budget	State	Over (Under)	State Actual	State Actual	State Actual	State Actual
Services Personnel								
Vice President	40,969	47,041	(6,072)	15,947	11,749	13,273		
Services Coordinator	6,925	6,937	(12)	4,176	2,750	-		
Services Assistance	2,820	1,363	1,457	2,572	247	-		
Service Provider Approval	5,852	10,749	(4,897)	2,312	1,028	2,512		
Billing Coordinator	5,209	7,697	(2,488)	2,497	2,607	104		
Service Provider Monitoring	6,433	9,431	(2,998)	5,224	1,210	-		
Toll Free Counselor	910	1,552	(642)	449	278	183		
Accrued Vacation & Sick	5,110	6,502	(1,392)	2,347	1,570	1,192		
Payroll Taxes	241	338	(97)	103	76	64		
Workers Compensation Insurance	1,562	2,469	(907)	798	397	365		
Pension	10,272	13,224	(2,952)	4,075	3,327	2,871		
Employee Group Insurance								
Total Personnel	<u>86,303</u>	<u>107,303</u>	<u>(21,000)</u>	<u>40,500</u>	<u>25,239</u>	<u>20,564</u>		
Operating								
Client Education Materials	76,907	106,642	(29,735)	70,362	6,545	-		
Services Advertising	202,707	234,068	(31,361)	167,819	34,888	-		
Meetings/Seminars	-	5,000	(5,000)	-	-	-		
Travel	3,082	8,082	(5,000)	1,288	6	1,788		
Services Database Consulting & Dev	15,393	24,203	(8,810)	2,853	5,655	6,885		
Client Services	571,816	874,140	(302,324)	337,489	231,242	3,084		
Toll Free Referral System	772	1,053	(281)	372	232	168		
Contract Closeout Cost	-	-	-	-	-	-		
Total Operating	<u>870,677</u>	<u>1,253,188</u>	<u>(382,511)</u>	<u>580,183</u>	<u>278,568</u>	<u>11,925</u>		
Equipment								
Pregnancy Test Kits	3,662	4,711	(1,049)	2,987	665	11		
Total services expenses	<u>960,642</u>	<u>1,365,202</u>	<u>(404,560)</u>	<u>623,670</u>	<u>304,472</u>	<u>32,500</u>		
Total administrative and services expenditures	<u>\$ 1,097,343</u>	<u>\$ 1,550,000</u>	<u>\$ (452,657)</u>	<u>\$ 676,676</u>	<u>\$ 340,917</u>	<u>\$ 79,749</u>		
Michigan YTD Jun-2016 Services Expenses per June 2016 FSR submitted on 7/27/2016	960,642	1,365,202	(404,560)					
Michigan YTD Jun-2016 Administrative and Services Expenses per June 2016 FSR submitted on 7/27/2016	1,097,343	1,550,000	(452,657)					

REAL ALTERNATIVES

MICHIGAN PREGNANCY AND PARENTING SUPPORT SERVICES PROGRAM
MDCH CONTRACT NO. 20142043

INVOICED REVENUE AND EXPENDITURES: START-UP ADMINISTRATIVE & SERVICES EXPENSES

OCTOBER 1, 2013 TO DECEMBER 31, 2016, ADVERTISING EXPENSE THROUGH APRIL 30, 2016

Administrative		Services	
Personnel	\$ 71,294	Personnel	\$ 67,152
Operating	33,171.03	Operating	526,338.19
Equipment	<u>333.04</u>	Equipment	<u>1,711.30</u>
Total administrative expenditures	<u>\$ 104,798</u>	Total services expenses	<u>\$ 595,202</u>
Administrative Cost Ratio	<u>14.97%</u>	Total administrative and services expenditures	<u>\$ 700,000</u>

Expenditures reported through June 30, 2016.

REAL ALTERNATIVES

MICHIGAN PREGNANCY AND PARENTING SUPPORT SERVICES PROGRAM MDCH CONTRACT NO. 20142043

RECONCILIATION OF CASH RECEIVED BY MICHIGAN PREGNANCY AND PARENTING SUPPORT SERVICES TO STATEMENT OF FUNCTIONAL EXPENSES

PERIOD JULY 1, 2015 TO JUNE 30, 2016

Cash received from MDCH by the Michigan Pregnancy & Parenting Support Services Grant Agreement 20142043	\$ 517,756
Adjustments due to financial records being kept according to generally accepted accounting principles accepted in the United States of America (GAAP) per contract with MDCH, Contract No. 20142043	
1. Expenses classified as assets and liabilities not accounted for as functional expenses under GAAP	(361)
2. Depreciation expense	3,773
3. Expenses incurred but not reimbursed	<u>159,372</u>
Total functional expenses for Program Services - Michigan Pregnancy & Parenting Support Services Program, in accordance with GAAP	<u>\$ 680,540</u>

REAL ALTERNATIVES

MICHIGAN PREGNANCY & PARENTING SUPPORT SERVICES PROGRAM
MDCH CONTRACT NO. 20142043

STATEMENT OF PROGRAM GENERATED INCOME AND INTEREST EARNED

PERIOD JULY 1, 2015 TO JUNE 30, 2016

	<u>Additional Cash Earned Available for Program Use</u>	<u>Total Expended for Counseling Reimbursement</u>	<u>Unused Balance</u>
Interest earned	\$ 171	\$ -	\$ 171
Other funds	<hr/>	<hr/>	<hr/>
	<u>\$ 171</u>	<u>\$ -</u>	<u>\$ 171</u>

REAL ALTERNATIVES

INDIANA PREGNANCY AND PARENTING SUPPORT SERVICES PROGRAM
ISDH CONTRACT NO. A70-5-041137 & 0000000000000000000014694

INVOICED REVENUE AND EXPENDITURES

OCTOBER 1, 2015 TO JUNE 30, 2016

	State Actual	State Budget	State Over (Under)	July 1, 2015 to June 30, 2016		JULY 1, 2015 to SEPTEMBER 30, 2015	
				State Actual	State Actual	State Actual	State Actual
Administrative							
Personnel							
President & CEO	\$ 35,277	\$ 38,000	\$ (22,723)	\$ 42,703	\$ 7,426		
VP of Administration	10,402	13,000	(2,598)	11,621	1,220		
Senior Accountant	3,465	3,000	465	3,476	10		
Junior Accountant	-	2,000	(2,000)	-	-		
Bookkeeper	597	3,000	(2,403)	813	216		
Professional Development	1,062	2,000	(938)	1,120	58		
Payroll Taxes	2,746	6,500	(3,754)	2,942	196		
Workers Compensation Insurance	1,53	300	(147)	178	25		
Pension	1,326	3,750	(2,424)	1,701	375		
Employee Group Insurance	8,423	13,000	(4,577)	10,115	1,692		
Job Advertising	-	500	(500)	-	-		
New Employee Screening	-	250	(250)	-	-		
Total Personnel	<u>63,451</u>	<u>105,300</u>	<u>(41,849)</u>	<u>74,669</u>	<u>11,218</u>		
Operating Expenses							
Accounting/IT/Legal/Consulting	2,398	20,000	(17,602)	2,397			
Postage/Shipping	792	15,000	(14,208)	940	148		
Auditing	1,997	3,500	(1,503)	2,305	308		
Travel/Lodging	-	500	(500)	5	5		
Rent	6,243	46,000	(39,757)	7,164	921		
Telephone Service	1,577	3,500	(1,923)	1,800	223		
General Business Liability Insurance	279	750	(471)	325	46		
Insurance-Directors & Officers	681	1,250	(569)	793	112		
Office Expense	3,716	91,700	(87,984)	4,86	470		
Computer Resources	-	25,000	(25,000)	-	-		
Total Operating	<u>17,683</u>	<u>207,200</u>	<u>(189,517)</u>	<u>19,915</u>	<u>2,233</u>		
Equipment							
Equipment Service Contracts	311	500	(189)	359	48		
Total administrative expenditures	<u>81,445</u>	<u>313,000</u>	<u>(231,555)</u>	<u>94,943</u>	<u>13,499</u>		
ISDH Administrative Expenses - July 1, 2015 to September 30, 2015							
October 1, 2015 to June 30, 2016							
Total Administrative Expenses July 1, 2015 to June 30, 2016							
Administrative Expenses as reported to ISDH for June 2016 on 7/26/2016	81,445	313,000	(231,555)				

REAL ALTERNATIVES

INDIANA PREGNANCY AND PARENTING SERVICES SUPPORT PROGRAM
ISDH CONTRACT NO. A70-5-041137 & 0000000000000000000014694

INVOICED REVENUE AND EXPENDITURES (Cont'd)

OCTOBER 1, 2015 TO JUNE 30, 2016

Services	State Actual	State Budget	State Over/(Under)	July 1, 2015 to June 30, 2016		JULY 1, 2015 to SEPTEMBER 30, 2015	
				State Actual	State Actual	State Actual	State Actual
Personnel							
Vice President of Operations	16,035	45,000	(38,965)	18,660	-	2,625	-
Indian Services Director	-	40,000	(40,000)	-	-	-	-
Services Coordinator	5,307	4,000	1,307	5,741	434	-	-
Billing Coordinator	2,519	5,000	(2,481)	3,203	684	-	-
Services Assistance	2,162	3,000	(838)	2,275	113	-	-
Service Provider Approval	1,313	5,000	(3,687)	1,390	-	76	-
Service Provider Monitoring	74	5,000	(4,926)	5,156	5,081	-	-
Hotline Counselor	733	4,000	(3,267)	946	213	-	-
Payroll Taxes	2,025	9,000	(6,975)	2,380	355	-	-
Workers Compensation Insurance	125	500	(375)	145	21	-	-
Pension	623	2,000	(1,377)	739	116	-	-
Employee Group Insurance	4,890	10,000	(5,200)	5,762	963	-	-
Total Personnel	<u>35,716</u>	<u>132,500</u>	<u>(96,784)</u>	<u>46,397</u>	<u>10,681</u>	<u>-</u>	<u>-</u>
Operating							
Client Education Materials	87,313	120,000	(32,687)	87,457	144	-	-
Services Advertising	429,309	485,000	(55,691)	429,309	-	-	-
Meetings/Seminars/Conference	-	7,000	(7,000)	-	-	-	-
Travel	3,804	10,000	(10,000)	911	911	-	-
Srvcs Database Consulting & Dev	1,084,432	15,000	(11,196)	1,357,014	1,071	-	-
Client Services	544	2,412,500	(1,328,068)	608	272,581	-	-
Hotline Referral System	-	5,000	(14,456)	-	64	-	-
Total Operating	<u>1,605,402</u>	<u>3,054,500</u>	<u>(1,409,098)</u>	<u>1,880,174</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equipment							
Pregnancy Test Kits	2,006	-	-	2,006	2,006	-	-
Total services expenses	<u>1,643,124</u>	<u>3,187,000</u>	<u>(1,543,876)</u>	<u>1,928,577</u>	<u>-</u>	<u>285,452</u>	<u>-</u>
Total administrative and services expenditures	<u>\$ 1,724,569</u>	<u>\$ 3,500,000</u>	<u>\$ (1,775,431)</u>	<u>\$ 2,023,520</u>	<u>\$ -</u>	<u>298,951</u>	<u>-</u>
ISDH Services Expenses - July 1, 2015 to September 30, 2015							
October 1, 2015 to June 30, 2016							
Total Services Expenses July 1, 2015 to June 30, 2016							
ISDH Admin & Svcs Expenses - July 1, 2015 to September 30, 2015							
October 1, 2015 to June 30, 2016							
Total Admin & Svcs Expenses July 1, 2015 to June 30, 2016							
Services Expenses as reported to ISDH for June 2016 on 7/26/2016	1,643,124	3,187,000	(1,543,876)	298,951	1,724,569	-	-
Administrative & Services Expenses as reported to ISDH for June 2016 on 7/26/2016	1,724,569	3,500,000	(1,775,431)	-	-	2,023,520	-

REAL ALTERNATIVES

**RECONCILIATION OF CASH RECEIVED BY INDIANA PREGNANCY &
PARENTING SUPPORT SERVICES TO STATEMENT OF FUNCTIONAL EXPENSES**

PERIOD JULY 1, 2015 to JUNE 30, 2016

1.	Expenses classified as assets and liabilities not accounted for as functional expenses under GAAP	(361)
2.	Depreciation expense	5,027
3.	Expenses incurred but not reimbursed	364,953
4.	Prior year contract revenue returned to ISDH	(235)
		<hr/>

Total functional expenses for Program Services - Indiana Pregnancy & Parenting Support Services Program, in accordance with GAAP \$ 2,004,339

REAL ALTERNATIVES

STATEMENT OF PROGRAM GENERATED INCOME AND INTEREST EARNED.

PERIOD JULY 1, 2015 to JUNE 30, 2016

	Additional Cash Earned Available for Program Use	Total Expended for Counseling Reimbursement	Unused Balance
Interest earned	\$ 82	\$ -	\$ 82
Other funds	- -	- -	- -
	\$ 82	\$ -	\$ 82

REAL ALTERNATIVES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016

NOTES:

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedules) includes the federal grant activity of Real Alternatives for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Real Alternatives, it is not intended to and does not present the financial position, changes in net assets or cash flows of Real Alternatives.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

The Board of Directors
Real Alternatives
Harrisburg, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Real Alternatives (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 3, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Real Alternatives' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Real Alternatives' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

(continued)

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Real Alternatives' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McKonly & Asbury, LLP

Camp Hill, Pennsylvania
November 3, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Directors
Real Alternatives
Harrisburg, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited Real Alternatives' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Real Alternatives' major federal programs for the year ended June 30, 2016. Real Alternatives' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Real Alternatives' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Real Alternatives' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

(continued)

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Real Alternatives' compliance.

Opinion on Each Major Federal Program

In our opinion, Real Alternatives complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Real Alternatives is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Real Alternatives' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Real Alternatives' internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

McKonly & Asbury, LLP

Camp Hill, Pennsylvania
November 3, 2016

REAL ALTERNATIVES

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2016

Prior Year Findings

None.

REAL ALTERNATIVES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2016

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Real Alternatives were prepared in accordance with GAAP.
2. No material weaknesses were identified during the audit of the financial statements and reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Real Alternatives, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award programs and reported in the Independent auditor's Report on compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for Real Alternatives expresses an unmodified opinion on all major programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516 (a).
7. The program tested as a major program was:

Temporary Assistance for Needy Families (CFDA #93.558)

8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Real Alternatives, the auditee, was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

None.

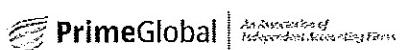
FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

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Derman, Barbara (DHHS)

From: Derman, Barbara (DHHS)
Sent: Thursday, November 17, 2016 4:47 PM
To: Dunbar, Paulette Dobynes (DHHS)
Subject: RE: Real Alternatives Financial Stmtns

He called me today to talk about their site review process and said he would send me their tool. Hasn't arrived yet, I'll forward it when I get it.

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

From: Dunbar, Paulette Dobynes (DHHS)
Sent: Thursday, November 17, 2016 4:46 PM
To: Derman, Barbara (DHHS) <DermanB@michigan.gov>
Subject: RE: Real Alternatives Financial Stmtns

Thanks.

From: Derman, Barbara (DHHS)
Sent: Thursday, November 17, 2016 1:12 PM
To: Dunbar, Paulette Dobynes (DHHS) <dunbarp@michigan.gov>
Cc: Taylor, Lucie (DHHS) <TaylorL22@michigan.gov>
Subject: FW: Real Alternatives Financial Stmtns

Paulette, I can't recall if I sent this to you earlier. The TANF specific part is found pp.31-37

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

From: Cliff [mailto:ra-finance@comcast.net]
Sent: Friday, November 11, 2016 3:00 PM
To: Derman, Barbara (DHHS) <DermanB@michigan.gov>
Cc: Tom Lang <ra-operations@comcast.net>
Subject: Real Alternatives Financial Stmtns

Ms. Derman,
Please see attached copy of our recently completed audit for FY 15-16. Thank you for all your assistance in assuring the success of the program.
Best Regards,
Cliff

Derman, Barbara (DHHS)

From: Derman, Barbara (DHHS)
Sent: Sunday, December 04, 2016 10:25 AM
To: Geist, Laura (DHHS)
Subject: RE: Draft Response to Real Alternatives Questions

I have not received the budget. Initially they had several questions which we answered, but I don't have the new budget. Reminded them again last Thursday.

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

From: Geist, Laura (DHHS)
Sent: Saturday, December 03, 2016 2:25 PM
To: Derman, Barbara (DHHS) <DermanB@michigan.gov>
Subject: RE: Draft Response to Real Alternatives Questions

Hi Quess,

Just following back up to see if you've received the amendment budget from Real Alternatives. We need to get this moving to have signatures before the end of the month.

Thanks!
Laura

Laura A. Geist
Electronic Grants Section Manager
MDHHS Bureau of Purchasing
(517) 241-3932
GeistL1@michigan.gov

From: Derman, Barbara (DHHS)
Sent: Thursday, November 03, 2016 3:58 PM
To: Geist, Laura (DHHS) <GeistL1@michigan.gov>
Subject: FW: Draft Response to Real Alternatives Questions

Your comments welcome☺

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

From: Derman, Barbara (DHHS)
Sent: Thursday, November 03, 2016 2:11 PM
To: Dunbar, Paulette Dobynes (DHHS) <dunbarp@michigan.gov>; Charest, Deanna (DHHS) <CharestD@michigan.gov>
Subject: Draft Response to Real Alternatives Questions

Paulette and Deanna,

Wanted to send you a draft response to Kevin regarding his budget questions. Please see below and let me know what you think

Barbara (Quess) Derman, MSW

Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

Good afternoon Kevin,

Please see my response to each of your questions below in red. Please let me know if you need any further clarification.
Thanks

From: Kevin Bagatta [<mailto:ra-president@comcast.net>]
Sent: Wednesday, November 02, 2016 5:30 PM
To: Derman, Barbara (DHHS) <DermanB@michigan.gov>; Tom Lang <ra-operations@comcast.net>
Cc: Dunbar, Paulette Dobynes (DHHS) <dunbarp@michigan.gov>
Subject: Re: Contract amendment 2017

Hi Quess:

We need a little guidance from you so we can provide the budget as you like.

- 1) We project about \$167,000 unspent funds remaining from the \$850,000 funds by December 31, 2016. I assume those funds will roll-over with the new \$400,000 – right? Yes, this is correct, we will roll over remaining funds as we have done in the past for this year.
- 2) The term of the new amendment will be through December 31, 2017 – right? Yes, we were thinking that the amendment should be through December 2017. (that was Jeanette Hensler's recommendation to me, to put December 31 as the end date for this amendment.)
- 3) In our proposed budget, you want to see the total as \$1,950,000? Yes, since we are rolling the 2017 allocation into the original contract and extending it through the year.
- 4) For our cost allocation process, we need to spend the remaining Michigan state funds first before we use the Federal funds – Ok? This is a question, we asked the budget folks, because we weren't sure.
- 5) We would love for you to accompany us on our site monitorings to see our review procedures and meet these remarkable counselors. Thanks, I look forward to accompany you on site visits. We are also developing a tool for our monitoring purposes from a state contract and TANF compliance perspective. We have just begun to develop the tool and will share it with you for comment prior to our visit.

Thanks,

Derman, Barbara (DHHS)

From: Derman, Barbara (DHHS)
Sent: Tuesday, December 06, 2016 10:26 AM
To: Fink, Brenda (DHHS); Larsen, Joshua (DHHS)
Cc: Taylor, Lucie (DHHS); Dunbar, Paulette Dobynes (DHHS); Mayes, Nanette (DHHS)
Subject: RE: Real Alternatives Contract Monitoring Question

That would be great to get more information and direction on this

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

From: Fink, Brenda (DHHS)
Sent: Monday, December 05, 2016 1:57 PM
To: Larsen, Joshua (DHHS) <LARSENJ1@michigan.gov>
Cc: Taylor, Lucie (DHHS) <TaylorL22@michigan.gov>; Dunbar, Paulette Dobynes (DHHS) <dunbarp@michigan.gov>; Derman, Barbara (DHHS) <DermanB@michigan.gov>; Mayes, Nanette (DHHS) <MayesN@michigan.gov>
Subject: RE: Real Alternatives Contract Monitoring Question

Josh, I wasn't in the office Friday, so just listened to your p/message this morning. We'd be happy to learn what you've learned and share how we have been dealing with this contract from a monitoring perspective thus far. This is a bit of an unusual situation, but because TANF funding is now being used, and it apparently has some funding that can support some program participants and some other part of this big fund that is for other participants, depending upon which criteria applies, I was just raising the issue of whether or not this means something different in terms of how we need to monitor the fiscal expenditures (and whether we'd need contract language changes so they are collecting data in order to support this). I've cc'd those here who are actually involved in the monitoring of this contract. I'm thinking a shared p/c might be the easiest way to have a conversation? I can have Nanette set that up, if the rest of you agree. It may end up being after the holidays, given how slammed most of our schedules are between now and then. If I'm the holdup, I could miss the p/c and then get filled in by someone here afterwards.

Brenda Fink, M.S.W., A.C.S.W.
Director, Division of Maternal and Infant Health
Michigan Department of Health and Human Services
109 W. Michigan Ave.
Lansing, MI 48933
517-335-8863
Fax: 517-335-8697
finkb@michigan.gov

From: Larsen, Joshua (DHHS)
Sent: Monday, December 05, 2016 12:56 PM
To: Fink, Brenda (DHHS) <FinkB@michigan.gov>
Subject: Real Alternatives Contract Monitoring Question

Brenda,

I would like to follow up with you on your question on 12/1/16 to Pam and Farah regarding monitoring the Real Alternatives contract. I've done some research on this and may be able to provide you with some answers. However,

Derman, Barbara (DHHS)

From: Derman, Barbara (DHHS)
Sent: Tuesday, December 06, 2016 12:26 PM
To: Geist, Laura (DHHS)
Subject: RE: Draft Response to Real Alternatives Questions

I just talked with them and they are working on the budget now and will get it to me.

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

From: Geist, Laura (DHHS)
Sent: Saturday, December 03, 2016 2:25 PM
To: Derman, Barbara (DHHS) <DermanB@michigan.gov>
Subject: RE: Draft Response to Real Alternatives Questions

Hi Quess,

Just following back up to see if you've received the amendment budget from Real Alternatives. We need to get this moving to have signatures before the end of the month.

Thanks!
Laura

Laura A. Geist
Electronic Grants Section Manager
MDHHS Bureau of Purchasing
(517) 241-3932
GeistL1@michigan.gov

From: Derman, Barbara (DHHS)
Sent: Thursday, November 03, 2016 3:58 PM
To: Geist, Laura (DHHS) <GeistL1@michigan.gov>
Subject: FW: Draft Response to Real Alternatives Questions

Your comments welcome😊

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

From: Derman, Barbara (DHHS)
Sent: Thursday, November 03, 2016 2:11 PM

Derman, Barbara (DHHS)

From: Derman, Barbara (DHHS)
Sent: Wednesday, December 07, 2016 9:16 AM
To: Cliff; Tom Lang; Kevin Bagatta
Cc: Dunbar, Paulette Dobynes (DHHS); Geist, Laura (DHHS)
Subject: RE: Real Alternatives Budget for Add'l \$400,000

Thank you Cliff,

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

From: Cliff [mailto:ra-finance@comcast.net]
Sent: Tuesday, December 06, 2016 5:30 PM
To: Derman, Barbara (DHHS) <DermanB@michigan.gov>
Cc: Kevin Bagatta <ra-president@comcast.net>; Tom Lang <ra-operations@comcast.net>
Subject: Real Alternatives Budget for Add'l \$400,000

Ms. Derman,
Sorry I made a mistake in the last email addressed to Ms. West. The budget is intended for you. I apologize for the mistake. Thanks again for your consideration.
Cliff McKeown

Derman, Barbara (DHHS)

From: Derman, Barbara (DHHS)
Sent: Wednesday, December 07, 2016 11:07 AM
To: Mayes, Nanette (DHHS)
Subject: Accepted: Real Alternatives Contract

PROGRAM BUDGET SUMMARY

View at 100% or Larger

MICHIGAN DEPARTMENT OF COMMUNITY HEALTH

Use WHOLE DOLLARS Only

ATTACHMENT B.1

PROGRAM Michigan Pregnancy & Parenting Support Services			DATE PREPARED 12/6/2016	Page 1	Of 1
CONTRACTOR NAME Real Alternatives			BUDGET PERIOD From: Oct. 1, 2013 To: Dec. 31, 2017		
MAILING ADDRESS (Number and Street) 7810 Allentown Blvd, Ste 304			BUDGET AGREEMENT <input type="checkbox"/> ORIGINAL <input checked="" type="checkbox"/> AMENDMENT	AMENDMENT #	
CITY Harrisburg	STATE PA	ZIP CODE 17112	FEDERAL ID NUMBER 23-2868660		
EXPENDITURE CATEGORY			TOTAL BUDGET (Use Whole Dollars)		
1. SALARY & WAGES			211,354		
2. FRINGE BENEFITS			64,844		
3. TRAVEL			11,202		
4. SUPPLIES & MATERIALS			163,612		
5. CONTRACTUAL (Subcontracts/Subrecipients)			1,182,903		
6. EQUIPMENT			-		
7. OTHER EXPENSES			316,085		
Administrative Expenses		\$184,798	\$40,000		
Services Expenses		\$1,365,202	\$360,000		
8. TOTAL DIRECT EXPENDITURES (Sum of Lines 1-7)		\$1,550,000	\$400,000	\$0	\$1,950,000
9. INDIRECT COSTS: Rate #1 %					\$0
INDIRECT COSTS: Rate #2 %					\$0
10. TOTAL EXPENDITURES		\$1,550,000	\$400,000	\$0	\$1,950,000

SOURCE OF FUNDS:

11. FEES & COLLECTIONS				
12. STATE AGREEMENT	\$1,550,000			
13. LOCAL				
14. FEDERAL		\$400,000		
15. OTHER(S)				
16. TOTAL FUNDING	\$1,550,000	\$400,000	\$0	\$0

AUTHORITY: P.A. 368 of 1978	The Department of Community Health is an equal opportunity employer, services and programs provider.
COMPLETION: Is Voluntary, but is required as a condition of funding.	

DCH-0385(E) (Rev. 06/07) (Excel) Previous Edition Obsolete.

~~PROGRAM BUDGET - COST DETAIL SCHEDULE~~

ATTACHMENT B.2

View at 100% or Larger

MICHIGAN DEPARTMENT OF COMMUNITY HEALTH

Page

on

Use WHOLE DOLLARS Only

PROGRAM BUDGET - COST DETAIL SCHEDULE

ATTACHMENT B.2

View at 100% or Larger

MICHIGAN DEPARTMENT OF COMMUNITY HEALTH

Page

of

Use WHOLE DOLLARS Only

PROGRAM Michigan Pregnancy & Parenting Support Services		BUDGET PERIOD From: 10/1/2013 To: 12/31/2017		DATE PREPARED 12/6/2016
CONTRACTOR NAME Real Alternatives		BUDGET AGREEMENT ORIGIN AL <input checked="" type="checkbox"/> AMENDMENT		AMENDMENT #
1. SALARY & WAGES: POSITION DESCRIPTION	COMMENTS	POSITIONS REQUIRED	TOTAL SALARY	
Vice President			\$ 59,446	
Services Coordinator			\$ 11,600	
Services Assistance			\$ 6,239	
Service Provider Approval			\$ 10,749	
Billing Coordinator			\$ 7,697	
Service Provider Monitoring			\$ 9,431	
Hotline Counselor			\$ 1,963	
	1. TOTAL SALARY & WAGES:	0.000	\$ 107,125	
2. FRINGE BENEFITS: (Specify)	<input checked="" type="checkbox"/> LIFE INS <input checked="" type="checkbox"/> DENTA INS <input checked="" type="checkbox"/> WORKS INS <input checked="" type="checkbox"/> COMP <input checked="" type="checkbox"/> UNE <input checked="" type="checkbox"/> VISION <input checked="" type="checkbox"/> HEARI <input checked="" type="checkbox"/> NG INS <input checked="" type="checkbox"/> OTHER <input checked="" type="checkbox"/> MPLO RETI <input checked="" type="checkbox"/> REMF <input checked="" type="checkbox"/> HOSP ITAL :specify		\$ 28,474	
		2. TOTAL FRINGE BENEFITS:	\$ 28,474	
3. TRAVEL: (Specify if category exceeds 10% of Total Expenditures)			\$ 10,213	
		3. TOTAL TRAVEL:	\$ 10,213	
4. SUPPLIES & MATERIALS: (Specify if category exceeds 10% of Total Expenditures)				
Client Education Materials			\$ 121,642	
Pregnancy Test Kits			\$ 5,953	
		4. TOTAL SUPPLIES & MATERIALS:	\$ 127,595	
5. CONTRACTUAL: (Subcontracts/Subrecipients)				
Name		Amount		
Client Services		\$ 1,144,770		
Database Consulting		\$ 30,585		
		5. TOTAL CONTRACTUAL:	\$ 1,175,355	
6. EQUIPMENT: (Specify)		Amount		
		6. TOTAL EQUIPMENT:	\$ -	
7. OTHER EXPENSES: (Specify if category exceeds 10% of Total Expenditures)		Amount		
Communication:				
Space Cost:	Services Advertising	\$ 268,791		
Others (explain):	Hotline Referral System	\$ 1,331		
	Meetings/Seminars	\$ 6,318		
	Contract Closeout Cost	\$ -		
		7. TOTAL OTHER EXPENSES:	\$ 276,440	
8. TOTAL DIRECT EXPENDITURES: (Sum of Totals 1-7)		8. TOTAL DIRECT EXPENDITURES:	\$ 1,725,202	
9. INDIRECT COST CALCULATIONS:				
Rate #1 Base \$	x Rate	0.00%	=	\$ -
Rate #2 Base \$	x Rate	0.00%	=	\$ -
		9. TOTAL INDIRECT EXPENDITURES:	\$ -	
10. TOTAL ALL EXPENDITURES: (Sum of lines 8-9)			\$ 1,725,202	
AUTHORITY: P.A. 368 of 1978	The Department of Community Health is an equal opportunity employer, services and programs provider.			
COMPLETION: Is Voluntary, but is required as a condition of funding. DCH-0386(E) (Rev. 06/07) (EXCEL) Previous Edition Obsolete	Use Additional Sheets as Needed			

Real Alternatives
Michigan Program

Oct-2015 - Sep-2016

	H	I	J	K	L	M	N
1							
2							
3		FY 13-15					
4		Revised Budget	FY 15-16 Budget				
5	at 2/4/2016, 4/27/16	10/1/15-9/30/16					
6							
7	Personnel						
8							
9	Vice-President of Operations	32,041.18	14,999.82	47,041.00	12,405.00	59,446.00	
10	Services Coordinator	3,936.71	3,000.29	6,937.00	4,663.00	11,600.00	
11	Services Assistance	863.45	499.55	1,363.00	4,876.00	6,239.00	
12	Service Provider Approval	5,746.39	5,002.61	10,749.00	0.00	10,749.00	
13	Billing Coordinator	4,196.60	3,500.40	7,697.00	(0.00)	7,697.00	
14	Service Provider Monitoring	6,433.50	2,997.50	9,431.00	(0.00)	9,431.00	
15	Hotline Counselor	552.54	1,000.46	1,553.00	410.00	1,963.00	
16	Accrued Vacation and Sick	-	-	-	-	-	
17	Payroll Taxes	3,751.78	2,750.22	6,502.00	1,715.00	8,217.00	
18	Workers Compensation	187.82	150.18	338.00	89.00	427.00	
19	Pension	1,218.94	1,250.06	2,469.00	651.00	3,120.00	
20	Employee Group Insurance	8,223.54	4,999.46	13,223.00	3,487.00	16,710.00	
21							
22							
23	Total Personnel	67,152.45	40,150.55	107,303.00	28,296.00	135,599.00	
24					28,296.00	135,599.00	
25	Operating						
26							
27	Client Education Materials	6,642.31	99,999.69	106,642.00	15,000.00	121,642.00	
28	Services Advertising	124,068.13	109,999.87	234,068.00	34,723.00	268,791.00	
29	Meetings/Seminars	-	5,000.00	5,000.00	1,318.00	6,318.00	
30	Travel	3,081.64	5,000.36	8,082.00	2,131.00	10,213.00	
31	Svcs Database Consulting & Dev	14,202.94	10,000.06	24,203.00	6,382.00	30,585.00	
32	Counseling Reimbursement	377,789.64	496,350.36	874,140.00	270,630.00	1,144,770.00	
33	Hotline Referral System	553.59	499.41	1,053.00	278.00	1,331.00	
34	Contract Closeout Cost	-	-	-	-	-	
35							
36							
37							
38							
39	Total Operating	526,338.25	726,849.75	1,253,188.00	330,462.00	1,583,650.00	
40					330,462.00	1,583,650.00	
41	Equipment						
42	Pregnancy Test Kits	1,711.30	2,999.70	4,711.00	1,242.00	5,953.00	
43					1,242.00	5,953.00	
44	Services Expenses	595,202.00	770,000.00	1,365,202.00	360,000.00	1,725,202.00	
45					360,000.00	1,725,202.00	
46					360,000.00		
47							
48							
49	Total Admin & Services	700,000.00	850,000.00	1,550,000.00	400,000.00	1,950,000.00	
50		700,000.00	800,000.00	1,500,000.00	400,000.00	1,950,000.00	

Derman, Barbara (DHHS)

From: Derman, Barbara (DHHS)
Sent: Tuesday, December 13, 2016 1:43 PM
To: Dunbar, Paulette Dobynes (DHHS)
Subject: FW: Real Alternatives Budget for Add'l \$400,000
Attachments: Real Alternatives Amendment 7.pdf

Please note Laura's note below. I'm assuming we just send to them and Get it going?

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

From: Geist, Laura (DHHS)
Sent: Tuesday, December 13, 2016 8:39 AM
To: Derman, Barbara (DHHS) <DermanB@michigan.gov>
Subject: RE: Real Alternatives Budget for Add'l \$400,000

Hi Barbara,

The final version of the amendment is attached. Please forward to Real Alternatives. They need to sign and return by the end of the week. Signature can be a scanned and emailed version.

Thank you!
Laura

Laura A. Geist
Electronic Grants Section Manager
MDHHS Bureau of Purchasing
(517) 241-3932
GeistL1@michigan.gov

From: Derman, Barbara (DHHS)
Sent: Monday, December 12, 2016 3:29 PM
To: Geist, Laura (DHHS) <GeistL1@michigan.gov>
Subject: FW: Real Alternatives Budget for Add'l \$400,000

I just realized that wasn't attached when I sent thank you!

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

Derman, Barbara (DHHS)

From: Derman, Barbara (DHHS)
Sent: Tuesday, December 13, 2016 3:49 PM
To: Kevin I. Bagatta, Esquire (ra-president@comcast.net); Thomas A. Lang, Esq. (ra-operations@comcast.net)
Subject: FW: Real Alternatives Budget for Add'l \$400,000
Attachments: Real Alternatives Amendment 7.pdf

Importance: High

Hello Kevin,

Okay, here is the final version of the amendment. Please sign it and send back by the end of the week. Purchasing says this can be a signed and scanned email version. Thanks

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

Contract Manager: Barbara Derman
Contract #: 20142043

**Amendment No. 7 to the
Agreement Between
Michigan Department of Health and Human Services
and
Real Alternatives
for
Michigan Pregnancy and Parenting Support Services Program**

1. Period of Agreement

This agreement shall commence on October 1, 2013 and continue through September 30, 2017. This agreement is in full force and effect for the period specified.

2. Program Budget and Agreement Amount

The total agreement amount is increased from \$1,550,000 to \$ 1,950,000, and the Department's agreement amount is increased/decreased from \$1,550,000 to \$ 1,950,000, as shown on the Attachment B budget pages.

3. Amendment Purpose

The purpose of the amendment is to extend the original agreement end date from September 30, 2016 to September 30, 2017, and to add funding in the original agreement for \$400,000.

4. Original Agreement Conditions

It is understood and agreed that all other conditions of the original agreement remain the same.

5. Special Certification

The individual or officer signing this amendment certifies by his or her signature that he or she is authorized to sign this amendment on behalf of the responsible governing board, official or contractor.

6. Signature Section

For the Michigan Department of Health and Human Services

Kim Stephen, Director, Bureau of Purchasing

Date

For the CONTRACTOR:

Name (print)

Title (print)

Signature

Date

Statement of Work

Michigan Pregnancy and Parenting Support

Services Program October 2013 – September 2017

1. Describe the core program elements and the manner in which services will be delivered.
 - a. Describe the individuals who will be eligible to receive services in the program, including any income or residency requirements, and any limitations due to race, gender, ethnicity, age or religion.
 - b. Describe the geographic areas within the State where program services will be provided.
 - c. Describe the core services that will be provided to eligible clients that promote childbirth instead of abortion, and that assist pregnant women with their decision regarding parenting or adoption.
 - d. In addition to the core services, describe the additional support services that will be available to eligible clients in the program.
 - e. Describe the advertising, outreach and marketing efforts that may occur to advise potential eligible clients of the availability of program services.
 - f. Describe how potential clients will access program services.
2. Describe the network of program service providers and counselors, and how they become eligible to provide approved program services.
3. Describe the plan for data collection of required program reporting; and the plan for program quality assurance monitoring, including site reviews and financial accountability.

Program Objectives

1. Assist pregnant women in Michigan to maintain pregnancy and achieve positive healthy pregnancy outcomes through provision of pregnancy support services and referrals to care.
 - a. Provide compassionate, caring and free services through approved life-affirming pregnancy support centers, social service agencies, maternity homes and adoption agencies
 - b. An evaluation of the client's needs is made by the counselor during the counseling sessions.
 - c. Provide pregnancy and parenting support services support utilizing trained crisis intervention counselors (degreed, non-degreed and volunteers)
 - d. Provide referrals to other available community services to support pregnant woman who are experiencing unplanned/crisis pregnancies, including referrals for prenatal and pediatric care, medical care, social services, and other supports as required and available.
 - e. Ensure client feedback is obtained to assure client support during crisis and counseling interventions.
2. Assist new Michigan parents establish positive parenting practices through provision of parenting support services.
 - a. Provide counseling and parenting education and referrals to pediatric care, social services, child care, financial support, housing, education for improving skills or obtaining a GED, job service and vocational training programs
 - b. Provide parenting support utilizing trained counselors (degreed, non-degreed and volunteers)
3. Assist women in Michigan who thought they were experiencing an unplanned/crisis pregnancy, but who are found to be not pregnant.

- a. Provide information on the risks of sexually transmitted diseases, relationship counseling, decision-making counseling, chastity information, teen pregnancy prevention programs, and other counseling to modify risk-taking behavior
- b. Provide services to women in this category utilizing trained counselors (degreed, non-degreed and volunteers)
4. Serve approximately 4500 women and parents of infants at approximately 12000 visits.
5. Have Service Providers establish and maintain referral lists to life-affirming Michigan public and nonprofit organizations providing care to mothers and infants to assure ongoing care and services.
- a. Each Service Provider Organization must have the appropriate referral resources to serve clients with essential and beneficial referrals including:
 - i. Referrals for prenatal and pediatric care.
 - ii. Referrals for medical care.
 - iii. Referrals for social services organizations and support services such as:
 - i. WIC, or other nutrition programs; MIHP, or other home visiting programs; local Department of Human Services; local health department; adoption agencies; child care; financial support; housing; education for improving skills or obtaining a GED; job service and vocational training programs; or transportation services as needed.
 - b. Service Provider Organizations are responsible to assure that referral sources are pro-life and continue to be pro-life.
 - c. Service Provider Organizations are responsible to evaluate referral organizations to assure they comply with client service needs.
 - d. Information concerning referral resources will be obtained at each site Monitoring.
6. Assure that program vendor Service Providers:
- a. Are a nonprofit organization with 501(c)3 tax exempt status
 - b. Operate an alternatives to abortion program that has a stated policy of actively promoting childbirth instead of abortion
 - c. Maintain a pro-life mission and agree not to promote, refer, or counsel abortion as an option to a crisis or unplanned pregnancy
 - d. Are physically and financially separate from any entity that advocates, performs, counsels, or refers for abortion
 - e. Understand that the funding for alternative to abortion services under this program does not include funding for the provision, referral, or advocacy of contraceptive services, drugs, or devices
 - f. Provide core services consisting of information and counseling that promotes childbirth instead of abortion, and assists pregnant women in their decision regarding adoption or parenting
 - g. Are nondiscriminatory
 - h. Agree not to promote the teaching or philosophy of any religion or religious organization while providing program services to the client
 - i. Have been in operation a minimum of one year providing core alternative to abortion services to women in a crisis pregnancy
 - j. Provide abstinence education as the best and only method of avoiding unplanned pregnancies and sexually transmitted infections
 - k. Agree to serve all eligible clients, including those with Limited English Proficiency
 - l. Will annually verify that all staff and volunteers have current Michigan State Police and Child Abuse background check clearances
 - m. Maintain client confidentiality
 - n. Will submit their counselor training materials, and policies and procedures manual for evaluation
 - o. Do not charge a fee for services to eligible clients.
 - p. Provide handicapped accessible services.

~~7. Assure Service Provider compliance with program policies and objectives, including:~~

- ~~a. Initial and annual site monitoring of Service Provider sites performed as described in the program description entitled: Michigan Pregnancy and Parenting Support Services Program, October 2013 – September 2016~~
 - ~~b. Assure accurate record-keeping of client eligibility~~
 - ~~c. Assure accurate submission of billing forms~~
 - ~~d. Assure all services are provided in a respectful and non-judgmental manner~~
 - ~~i. Assure all services are provided to eligible clients with limited English, hearing or visual capabilities~~
 - ~~ii. Assure all services are provided with appropriate cultural sensitivities~~
 - ~~e. Assure financial accountability through program site monitoring.~~
 - ~~f. Ongoing quality assurance measures performed as described in the program description entitled: Michigan Pregnancy and Parenting Support Services Program, October 2013 – September 2016~~
- 8. Assure compliance with program reporting requirements. Quarterly Reports are to be submitted to DFCH@michigan.gov by 45 days after the end of the quarter. The Quarterly Reports will, at a minimum, provide a total accounting of the following activities of the Service Providers:**
- a. Monitoring activities completed;**
 - b. Monitoring Report findings for each site monitored and subsequent corrective actions taken;**
 - c. Technical assistance provided;**
 - d. Follow-up on site monitoring findings for Service Providers;**
 - e. Direct service activities such as information/services provided or referrals made;**
 - f. Significant Project(s) Status Report(s) including a brief narrative of projects described in the Work Plan, and any other significant projects or activities;**
 - g. The number of pregnant women, non-pregnant women and parenting women served (separate reports for each of these three client types), by their county of residence, and their age reported by the following age groups:**
 - 1. Less than 16 years old;**
 - 2. 16 years old through 20 years old;**
 - 3. 21 years old through 25 years old;**
 - 4. 26 years old through 30 years old;**
 - 5. 31 years old through 35 years old;**
 - 6. 36 years old through 40 years old;**
 - 7. 41 years old through 45 years old;**
 - 8. 46 years old and older.**
 - h. The number of pregnant women, non-pregnant women and parenting women served (separate reports for each of these three client types), by race, by county, by age (White, African American, Native American, Asian, multi-racial, unknown/not declared)**
 - i. The number of pregnant women, non-pregnant women and parenting women served (separate reports for each of these three client types), by ethnicity, by county, by age (Hispanic, non-Hispanic)**
 - j. The number of visits by pregnant women, non-pregnant women and parenting women (separate reports for each of these three client types), by county, by age.**
 - 1. Hotline calls from Michigan and number of subsequent referrals to Service Providers**
 - 2. Public Information activities in Michigan**
 - k. Report number of Service Provider referrals by type:**
 - 1. Prenatal care providers**
 - 2. Pediatric care providers**

I. Report of client outcomes

1. Number of clients indicating they are choosing childbirth
2. Number of clients who visited or are planning to visit a health care provider for prenatal care.
3. Number of clients who have taken their child to a pediatric appointment.
4. Number of clients with infants up to date in immunizations.
5. Number of clients who felt supported at the end of their counseling session.

PROGRAM BUDGET SUMMARY

*View at 100% or Larger
Use WHOLE DOLLARS Only*

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

ATTACHMENT B.1

PROGRAM Michigan Pregnancy & Parenting Support Services		DATE PREPARED 12/13/2016	Page 1	Of 2
GRANTEE NAME Real Alternatives		BUDGET PERIOD From: 10/1/2013 To: 9/30/2017		
MAILING ADDRESS (Number and Street) 7810 Allentown Blvd., Suite 304		BUDGET AGREEMENT <input type="checkbox"/> ORIGINAL <input checked="" type="checkbox"/> AMENDMENT	AMENDMENT # 7	
CITY Harrisburg	STATE PA	ZIP CODE 17112	FEDERAL ID NUMBER 23-2868660	
EXPENDITURE CATEGORY				TOTAL BUDGET (Use Whole Dollars)
1. SALARY & WAGES				\$211,354
2. FRINGE BENEFITS				\$64,844
3. TRAVEL				\$11,202
4. SUPPLIES & MATERIALS				\$163,612
5. CONTRACTUAL (Subcontracts/Subrecipients)				\$1,182,903
6. EQUIPMENT				
7. OTHER EXPENSES				
Administrative Expenses				\$224,798
Service Expenses				\$1,725,202
8. TOTAL DIRECT EXPENDITURES (Sum of Lines 1-7)				\$1,950,000
9. INDIRECT COSTS: Rate #1 %				
INDIRECT COSTS: Rate #2 %				
10. TOTAL EXPENDITURES				\$1,950,000

SOURCE OF FUNDS:

11. FEES & COLLECTIONS				
12. STATE AGREEMENT				\$1,950,000
13. LOCAL				
14. FEDERAL				
15. OTHER(S)				
16. TOTAL FUNDING				\$1,950,000

AUTHORITY: P.A. 368 of 1978

COMPLETION: Is Voluntary, but is required as a condition of funding.

The Department of Health and Human Services is an equal opportunity employer, services and programs provider.

PROGRAM BUDGET - COST DETAIL SCHEDULE

View at 100% or Larger

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

Page

ATTACHMENT B.2

Of

Use WHOLE DOLLARS Only

PROGRAM Michigan Pregnancy & Parenting Support Services		BUDGET PERIOD	DATE PREPARED
		From: 10/1/2013	To: 9/30/2017
		BUDGET AGREEMENT	
GRANTEE NAME Real Alternatives		<input type="checkbox"/> ORIGINAL <input checked="" type="checkbox"/> AMENDMENT	
1. SALARY & WAGES: POSITION DESCRIPTION		COMMENTS	POSITIONS REQUIRED
President & CEO			\$ 69,009
Vice President - Administration			\$ 22,248
Assistant Director of Finance			\$ 1,777
Accountant			\$ 6,535
Bookkeeper			\$ 4,660
		1. TOTAL SALARY & WAGES:	\$ 104,229
2. FRINGE BENEFITS: (Specify)		Composite Rate % 34.89%	
<input checked="" type="checkbox"/> FICA <input checked="" type="checkbox"/> LIFE INS <input checked="" type="checkbox"/> DENTAL INS <input checked="" type="checkbox"/> UNEMPLOY INS <input checked="" type="checkbox"/> VISION <input checked="" type="checkbox"/> WORK COMP <input checked="" type="checkbox"/> HOSPITAL <input type="checkbox"/> HEARING INS <input type="checkbox"/> RETIREMENT <input type="checkbox"/> OTHER:specify		<input type="checkbox"/> Tuition Remission (list amount) 2. TOTAL FRINGE BENEFITS: \$ 36,370	
3. TRAVEL: (Specify if category exceeds 10% of Total Expenditures)		3. TOTAL TRAVEL:	\$ 989
4. SUPPLIES & MATERIALS: (Specify if category exceeds 10% of Total Expenditures)		4. TOTAL SUPPLIES & MATERIALS:	\$ 36,017
Office Expenses		\$ 22,618	
Computer Resources		\$ 13,399	
5. CONTRACTUAL: (Subcontracts/Subrecipients)		5. TOTAL CONTRACTUAL:	\$ 7,548
<u>Name</u> <u>Address</u> Consulting Legal Consulting		<u>Amount</u>	
		\$ 6,332	
		\$ 1,216	
6. EQUIPMENT: (Specify)		6. TOTAL EQUIPMENT:	\$ -
		<u>Amount</u>	
7. OTHER EXPENSES: (Specify if category exceeds 10% of Total Expenditures)		7. TOTAL OTHER EXPENSES:	\$ 39,645
Communication:		Amount	
Space Cost:		\$ 25,323	
Others (explain):		\$ 3,440	
Insurance		\$ 6,324	
Audit		\$ 1,718	
Professional Development		\$ 1,825	
Job Advertising/Employee Screening		\$ 1,015	
Equipment Service Contract			
8. TOTAL DIRECT EXPENDITURES: (Sum of Totals 1-7)		8. TOTAL DIRECT EXPENDITURES:	\$ 224,798
9. INDIRECT COST CALCULATIONS:			
Rate #1 Base \$ x Rate = \$			
Rate #2 Base \$ x Rate = \$			
		9. TOTAL INDIRECT EXPENDITURES:	\$ -
10. TOTAL ALL EXPENDITURES: (Sum of lines 8-9)			\$ 224,798
AUTHORITY: P.A. 368 of 1978		The Department of Health and Human Services is an equal opportunity employer, services and programs provider.	
COMPLETION: Is Voluntary, but is required as a condition of funding.		Use Additional Sheets as Needed	
DCH-0385(E) (Rev 8/15) (EXCEL) Previous Edition Obsolete			

PROGRAM BUDGET - COST DETAIL SCHEDULE

View at 100% or Larger

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

Page

ATTACHMENT B.2

Of

Use WHOLE DOLLARS Only

PROGRAM	BUDGET PERIOD		DATE PREPARED
	From:	To:	
Michigan Pregnancy & Parenting Support Services	10/1/2013	9/30/2017	12/13/2016
GRANTEE NAME Real Alternatives	BUDGET AGREEMENT <input type="checkbox"/> ORIGINAL <input checked="" type="checkbox"/> AMENDMENT	AMENDMENT # 7	
1. SALARY & WAGES: POSITION DESCRIPTION	COMMENTS	POSITIONS REQUIRED	TOTAL SALARY
Vice President			\$ 59,446
Services Coordinator			\$ 11,600
Services Assistance			\$ 6,239
Service Provider Approval			\$ 10,749
Billing Coordinator			\$ 7,697
Service Provider Monitoring			\$ 9,431
Hotline Counselor			\$ 1,963
	1. TOTAL SALARY & WAGES:	0.000	\$ 107,125
2. FRINGE BENEFITS: (Specify)	Composite Rate % 26.58%		
<input checked="" type="checkbox"/> FICA <input checked="" type="checkbox"/> LIFE INS <input checked="" type="checkbox"/> DENTAL INS <input checked="" type="checkbox"/> UNEMPLOY INS <input type="checkbox"/> VISION INS <input checked="" type="checkbox"/> WORKS COMP <input checked="" type="checkbox"/> RETIREMENT <input checked="" type="checkbox"/> HEARING INS <input checked="" type="checkbox"/> HOSPITAL INS <input type="checkbox"/> OTHER:specify-			
	2. TOTAL FRINGE BENEFITS:	\$ 28,474	
3. TRAVEL: (Specify if category exceeds 10% of Total Expenditures)			
	3. TOTAL TRAVEL:	\$ 10,213	
4. SUPPLIES & MATERIALS: (Specify if category exceeds 10% of Total Expenditures)			
Client Education Materials			\$ 121,642
Pregnancy Test Kits			\$ 5,953
	4. TOTAL SUPPLIES & MATERIALS:	\$ 127,595	
5. CONTRACTUAL: (Subcontracts/Subrecipients)			
Name	Address	Amount	
Client Services		\$ 1,144,770	
Database Consulting		\$ 30,585	
	5. TOTAL CONTRACTUAL:	\$ 1,175,355	
6. EQUIPMENT: (Specify)	Amount		
	6. TOTAL EQUIPMENT:	\$ -	
7. OTHER EXPENSES: (Specify if category exceeds 10% of Total Expenditures)	Amount		
Communication:			
Space Cost:			
Others (explain):	Services Advertising	\$ 268,791	
	Hotline Referral System	\$ 1,331	
	Meetings/Seminars	\$ 6,318	
	7. TOTAL OTHER EXPENSES:	\$ 276,440	
8. TOTAL DIRECT EXPENDITURES: (Sum of Totals 1-7)	8. TOTAL DIRECT EXPENDITURES	\$ 1,725,202	
9. INDIRECT COST CALCULATIONS:			
Rate #1 Base \$	x Rate	0.00%	= \$ -
Rate #2 Base \$	-	0.00%	= \$ -
	9. TOTAL INDIRECT EXPENDITURES:	\$ -	
10. TOTAL ALL EXPENDITURES: (Sum of lines 8-9)	10. TOTAL ALL EXPENDITURES:	\$ 1,725,202	
AUTHORITY: P.A. 368 of 1978	The Department of Health and Human Services is an equal opportunity employer, services and programs provider.		
COMPLETION: Is Voluntary, but is required as a condition of funding			
DCH-0386(E) (Rev. 8/15) (EXCEL) Previous Edition Obsolete	Use Additional Sheets as Needed		

Derman, Barbara (DHHS)

From: Derman, Barbara (DHHS)
Sent: Tuesday, December 13, 2016 3:49 PM
To: Geist, Laura (DHHS)
Cc: Dunbar, Paulette Dobynes (DHHS)
Subject: RE: Real Alternatives Budget for Add'l \$400,000

Done! Thanks

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

From: Geist, Laura (DHHS)
Sent: Tuesday, December 13, 2016 8:39 AM
To: Derman, Barbara (DHHS) <DermanB@michigan.gov>
Subject: RE: Real Alternatives Budget for Add'l \$400,000

Hi Barbara,

The final version of the amendment is attached. Please forward to Real Alternatives. They need to sign and return by the end of the week. Signature can be a scanned and emailed version.

Thank you!
Laura

Laura A. Geist
Electronic Grants Section Manager
MDHHS Bureau of Purchasing
(517) 241-3932
GeistL1@michigan.gov

From: Derman, Barbara (DHHS)
Sent: Monday, December 12, 2016 3:29 PM
To: Geist, Laura (DHHS) <GeistL1@michigan.gov>
Subject: FW: Real Alternatives Budget for Add'l \$400,000

I just realized that wasn't attached when I sent thank you!

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
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Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

Derman, Barbara (DHHS)

From: Derman, Barbara (DHHS)
Sent: Tuesday, December 13, 2016 4:47 PM
To: Geist, Laura (DHHS); Dunbar, Paulette Dobynes (DHHS)
Cc: Hensler, Jeanette (DHHS); Fink, Brenda (DCH) (FinkB)
Subject: RE: Real Alternatives Budget for Add'l \$400,000

Importance: High

Laura,
I just had a call from Real Alternatives CEO and operations executive. They are questioning the end date on the budget amendment, Their understanding from Catholic Conference/Legislature was that the \$400,000 must be spent in 12 months, or returned because it is TANF money, and that they have the 12 months, calendar year rather than fiscal year.

They also had some minor languages reflecting TANF funding. They also said they made an error in the budget they would like to correct (not spelling out the administrative expenditure categories (leaving lines 1-5 blank) on B1. Kevin said that the original negotiation with Kristi B. allowed that and they would like to return to that!

I asked them to pencil in those issue into the document and scan and return to me.

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

From: Geist, Laura (DHHS)
Sent: Tuesday, December 13, 2016 8:39 AM
To: Derman, Barbara (DHHS) <DermanB@michigan.gov>
Subject: RE: Real Alternatives Budget for Add'l \$400,000

Hi Barbara,

The final version of the amendment is attached. Please forward to Real Alternatives. They need to sign and return by the end of the week. Signature can be a scanned and emailed version.

Thank you!
Laura

Laura A. Geist
Electronic Grants Section Manager
MDHHS Bureau of Purchasing
(517) 241-3932
GeistL1@michigan.gov

From: Derman, Barbara (DHHS)
Sent: Monday, December 12, 2016 3:29 PM
To: Geist, Laura (DHHS) <GeistL1@michigan.gov>
Subject: FW: Real Alternatives Budget for Add'l \$400,000

Derman, Barbara (DHHS)

From: Derman, Barbara (DHHS)
Sent: Tuesday, December 13, 2016 4:56 PM
To: Geist, Laura (DHHS); Dunbar, Paulette Dobynes (DHHS)
Cc: Hensler, Jeanette (DHHS); Fink, Brenda (DHHS)
Subject: FW: Revisions to Real Alternatives Agreement and Budget for Add'l \$400,000
Attachments: REVISED AGREEMENT AND BUDGET.pdf

Importance: High

See attached

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

From: Thomas A. Lang - Comcast IMAP [mailto:ra-operations@comcast.net]
Sent: Tuesday, December 13, 2016 4:49 PM
To: Derman, Barbara (DHHS) <DermanB@michigan.gov>
Subject: Re: Re: Revisions to Real Alternatives Agreement and Budget for Add'l \$400,000
Importance: High

Please see the attachment.

From: "Derman, Barbara (DHHS)" <DermanB@michigan.gov>
Date: Tuesday, December 13, 2016 at 3:48 PM
To: "Kevin I. Bagatta" <ra-president@comcast.net>, Thomas Lang <ra-operations@comcast.net>
Subject: FW: Real Alternatives Budget for Add'l \$400,000

Hello Kevin,
Attached is the final version of the amendment. Please sign it and send back by the end of the week. Purchasing says this can be a signed and scanned email version. Thanks

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

Amendment No. 7 to the
Agreement Between
Michigan Department of Health and Human Services
and
Real Alternatives
for
Michigan Pregnancy and Parenting Support Services Program

1. **Period of Agreement**

{2-31-17
This agreement shall commence on October 1, 2013 and continue through September 30, 2017. This agreement is in full force and effect for the period specified.

2. **Program Budget and Agreement Amount**

The total agreement amount is increased from \$1,550,000 to \$ 1,950,000, and the Department's agreement amount is increased/decreased from \$1,550,000 to \$ 1,950,000, as shown on the Attachment B budget pages.

3. **Amendment Purpose**

The purpose of the amendment is to extend the original agreement end date from September 30, 2016 to September 30, 2017, and to add funding in the original agreement for \$400,000.

Oct. 31, 2016 to Dec. 31, 2017

TANF

4. Original Agreement Conditions

It is understood and agreed that all other conditions of the original agreement remain the same.

5. Special Certification

The individual or officer signing this amendment certifies by his or her signature that he or she is authorized to sign this amendment on behalf of the responsible governing board, official or contractor.

6. Signature Section

For the Michigan Department of Health and Human Services

Kim Stephen, Director, Bureau of Purchasing

Date

For the CONTRACTOR:

Name (print)

Title (print)

Signature

Date

Statement of Work

Michigan Pregnancy and Parenting Support
Services Program October 2013 - September 2017

December 2017

1. Describe the core program elements and the manner in which services will be delivered.
 - a. Describe the individuals who will be eligible to receive services in the program, including any income or residency requirements, and any limitations due to race, gender, ethnicity, age or religion.
 - b. Describe the geographic areas within the State where program services will be provided.
 - c. Describe the core services that will be provided to eligible clients that promote childbirth instead of abortion, and that assist pregnant women with their decision regarding parenting or adoption.
 - d. In addition to the core services, describe the additional support services that will be available to eligible clients in the program.
 - e. Describe the advertising, outreach and marketing efforts that may occur to advise potential eligible clients of the availability of program services.
 - f. Describe how potential clients will access program services.
2. Describe the network of program service providers and counselors, and how they become eligible to provide approved program services.
3. Describe the plan for data collection of required program reporting; and the plan for program quality assurance monitoring, including site reviews and financial accountability

Program Objectives

1. Assist pregnant women in Michigan to maintain pregnancy and achieve positive healthy pregnancy outcomes through provision of pregnancy support services and referrals to care.
 - a. Provide compassionate, caring and free services through approved life-affirming pregnancy support centers, social service agencies, maternity homes and adoption agencies
 - b. An evaluation of the client's needs is made by the counselor during the counseling sessions.
 - c. Provide pregnancy and parenting support services support utilizing trained crisis intervention counselors (degreed, non-degreed and volunteers)
 - d. Provide referrals to other available community services to support pregnant woman who are experiencing unplanned/crisis pregnancies, including referrals for prenatal and pediatric care, medical care, social services, and other supports as required and available.
 - e. Ensure client feedback is obtained to assure client support during crisis and counseling interventions.
2. Assist new Michigan parents establish positive parenting practices through provision of parenting support services.
 - a. Provide counseling and parenting education and referrals to pediatric care, social services, child care, financial support, housing, education for improving skills or obtaining a GED, job service and vocational training programs
 - b. Provide parenting support utilizing trained counselors (degreed, non-degreed and volunteers)
3. Assist women in Michigan who thought they were experiencing an unplanned/crisis pregnancy, but who are found to be not pregnant.

- a. Provide information on the risks of sexually transmitted diseases, relationship counseling, decision-making counseling, chastity information, teen pregnancy prevention programs, and other counseling to modify risk-taking behavior
 - b. Provide services to women in this category utilizing trained counselors (degreed, non-degreed and volunteers)
- 4. Serve approximately 4500 women and parents of infants at approximately 12000 visits.
- 5. Have Service Providers establish and maintain referral lists to life-affirming Michigan public and nonprofit organizations providing care to mothers and infants to assure ongoing care and services.
 - a. Each Service Provider Organization must have the appropriate referral resources to serve clients with essential and beneficial referrals including:
 - i. Referrals for prenatal and pediatric care.
 - ii. Referrals for medical care.
 - iii. Referrals for social services organizations and support services such as:
 - i. WIC, or other nutrition programs; MIHP, or other home visiting programs; local Department of Human Services; local health department; adoption agencies; child care; financial support; housing; education for improving skills or obtaining a GED; job service and vocational training programs; or transportation services as needed.
 - b. Service Provider Organizations are responsible to assure that referral sources are pro-life and continue to be pro-life.
 - c. Service Provider Organizations are responsible to evaluate referral organizations to assure they comply with client service needs.
 - d. Information concerning referral resources will be obtained at each site Monitoring.
- 6. Assure that program vendor Service Providers:
 - a. Are a nonprofit organization with 501(c)3 tax exempt status
 - b. Operate an alternative to abortion program that has a stated policy of actively promoting childbirth instead of abortion
 - c. Maintain a pro-life mission and agree not to promote, refer, or counsel abortion as an option to a crisis or unplanned pregnancy
 - d. Are physically and financially separate from any entity that advocates, performs, counsels, or refers for abortion
 - e. Understand that the funding for alternative to abortion services under this program does not include funding for the provision, referral, or advocacy of contraceptive services, drugs, or devices
 - f. Provide core services consisting of information and counseling that promotes childbirth instead of abortion, and assists pregnant women in their decision regarding adoption or parenting
 - g. Are nondiscriminatory
 - h. Agree not to promote the teaching or philosophy of any religion or religious organization while providing program services to the client
 - i. Have been in operation a minimum of one year providing core alternative to abortion services to women in a crisis pregnancy
 - j. Provide abstinence education as the best and only method of avoiding unplanned pregnancies and sexually transmitted infections
 - k. Agree to serve all eligible clients, including those with Limited English Proficiency
 - l. Will annually verify that all staff and volunteers have current Michigan State Police and Child Abuse background check clearances
 - m. Maintain client confidentiality
 - n. Will submit their counselor training materials, and policies and procedures manual for evaluation
 - o. Do not charge a fee for services to eligible clients.
 - p. Provide handicapped accessible services.

7. Assure Service Provider compliance with program policies and objectives, including:
- a. Initial and annual site monitoring of Service Provider sites performed as described in the program description entitled: Michigan Pregnancy and Parenting Support Services Program, October 2013
September 2016 Dec 2017
 - b. Assure accurate record-keeping of client eligibility
 - c. Assure accurate submission of billing forms
 - d. Assure all services are provided in a respectful and non-judgmental manner
 - i. Assure all services are provided to eligible clients with limited English, hearing or visual capabilities
 - ii. Assure all services are provided with appropriate cultural sensitivities
 - e. Assure financial accountability through program site monitoring
 - f. Ongoing quality assurance measures performed as described in the program description entitled: Michigan Pregnancy and Parenting Support Services Program, October 2013 – *September 2016 December 2017*
8. Assure compliance with program reporting requirements. Quarterly Reports are to be submitted to DFCM@Michigan.gov by 45 days after the end of the quarter. The Quarterly Reports will, at a minimum, provide a total accounting of the following activities of the Service Providers:
- a. Monitoring activities completed;
 - b. Monitoring Report findings for each site monitored and subsequent corrective actions taken;
 - c. Technical assistance provided;
 - d. Follow-up on site monitoring findings for Service Providers;
 - e. Direct service activities such as information/services provided or referrals made;
 - f. Significant Project(s) Status Report(s) including a brief narrative of projects described in the Work Plan, and any other significant projects or activities;
 - g. The number of pregnant women, non-pregnant women and parenting women served (separate reports for each of these three client types), by their county of residence, and their age reported by the following age groups:
 1. Less than 16 years old;
 2. 16 years old through 20 years old;
 3. 21 years old through 25 years old;
 4. 26 years old through 30 years old;
 5. 31 years old through 35 years old;
 6. 36 years old through 40 years old;
 7. 41 years old through 45 years old;
 8. 46 years old and older.
 - h. The number of pregnant women, non-pregnant women and parenting women served (separate reports for each of these three client types), by race, by county, by age (White, African American, Native American, Asian, multi-racial, unknown/not declared)
 - i. The number of pregnant women, non-pregnant women and parenting women served (separate reports for each of these three client types), by ethnicity, by county, by age (Hispanic, non-Hispanic)
 - j. The number of visits by pregnant women, non-pregnant women and parenting women (separate reports for each of these three client types), by county, by age.
 1. Hotline calls from Michigan and number of subsequent referrals to Service Providers
 2. Public Information activities in Michigan
 - k. Report number of Service Provider referrals by type:
 1. Prenatal care providers
 2. Pediatric care providers

I. Report of client outcomes

1. Number of clients indicating they are choosing childbirth
2. Number of clients who visited or are planning to visit a health care provider for prenatal care.
3. Number of clients who have taken their child to a pediatric appointment.
4. Number of clients with infants up to date in immunizations.
5. Number of clients who felt supported at the end of their counseling session.

PROGRAM BUDGET SUMMARY

View at 100% or Larger

Use WHOLE DOLLARS Only

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

ATTACHMENT B.1

PROGRAM Michigan Pregnancy & Parenting Support Services			DATE PREPARED 12/13/2016	Page 1	of 2
GRANTEE NAME Real Alternatives			BUDGET PERIOD From: 10/1/2013 To: 9/30/2017	12-31/2017	
MAILING ADDRESS (Number and Street) 7810 Allentown Blvd., Suite 304			BUDGET AGREEMENT <input type="checkbox"/> ORIGINAL <input checked="" type="checkbox"/> AMENDMENT	AMENDMENT # 7	
CITY Harrisburg	STATE PA	ZIP CODE 17112	FEDERAL ID NUMBER 23-2868660		
EXPENDITURE CATEGORY					TOTAL BUDGET (Use Whole Dollars)
1. SALARY & WAGES					\$211,354
2. FRINGE BENEFITS					\$64,344
3. TRAVEL					\$11,202
4. SUPPLIES & MATERIALS					\$163,012
5. CONTRACTUAL (Subcontracts/Subrecipients)					\$1,182,903
6. EQUIPMENT					
7. OTHER EXPENSES					
Administrative Expenses					\$224,793
Service Expenses					\$1,725,202
8. TOTAL DIRECT EXPENDITURES (Sum of Lines 1-7)					\$1,950,000
9. INDIRECT COSTS: Rate #1 %					
INDIRECT COSTS: Rate #2 %					
10. TOTAL EXPENDITURES					\$1,950,000

SOURCE OF FUNDS:

11. FEES & COLLECTIONS					
12. STATE AGREEMENT					\$1,950,000
13. LOCAL					
14. FEDERAL					
15. OTHER(S)					
16. TOTAL FUNDING					\$1,950,000

AUTHORITY: P.A. 363 of 1978

COMPLETION: Is Voluntary, but is required as a condition of funding.

The Department of Health and Human Services is an equal opportunity employer, services and programs provider

DCH-0385(E) (Rev. 08/15) (Excel) Previous Edition Obsolete.

PROGRAM BUDGET - COST DETAIL SCHEDULE

View at 100% or Larger
Use WHOLE DOLLARS Only

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

Page

ATTACHMENT B.2
OF

12/31/2017

PROGRAM Michigan Pregnancy & Parenting Support Services	BUDGET PERIOD		DATE PREPARED 12/13/2017
	From: 10/1/2013	To: 9/30/2017	
GRANTEE NAME Real Alternatives	BUDGET AGREEMENT <input type="checkbox"/> ORIGINAL <input checked="" type="checkbox"/> AMENDMENT		AMENDMENT # 7
1. SALARY & WAGES: POSITION DESCRIPTION	COMMENTS	POSITIONS REQUIRED	TOTAL SALARY
President & CEO			\$ 69,000
Vice President - Administration			\$ 22,248
Assistant Director of Finance			\$ 1,777
Accountant			\$ 6,535
Bookkeeper			\$ 4,600
1. TOTAL SALARY & WAGES:			\$ 104,229
2. FRINGE BENEFITS: (Specify)	Composite Rate % 34.89%		
<input type="checkbox"/> C.R.C.A. <input checked="" type="checkbox"/> LIFE INS. <input type="checkbox"/> DENTAL INS. <input checked="" type="checkbox"/> UNEMPLOY. INS. <input type="checkbox"/> VISION <input type="checkbox"/> WORK COMP. <input type="checkbox"/> HOSPITAL <input type="checkbox"/> HEARING AIDS <input type="checkbox"/> Other Benefit <input type="checkbox"/> RETIREMENT <input type="checkbox"/> OTHER	<input type="checkbox"/> Total Fringe Benefit (list amount)		2. TOTAL FRINGE BENEFITS: \$ 36,370
3. TRAVEL: (Specify if category exceeds 10% of Total Expenditures)			3. TOTAL TRAVEL: \$ 989
4. SUPPLIES & MATERIALS: (Specify if category exceeds 10% of Total Expenditures)			
Office Expenses			\$ 22,618
Computer Resources			\$ 13,399
4. TOTAL SUPPLIES & MATERIALS:			\$ 36,017
5. CONTRACTUAL: (Subcontracts/Subrecipients)			
Name Address	Amount		
Consulting		\$ 6,332	
Legal Consulting		\$ 1,216	
5. TOTAL CONTRACTUAL:			\$ 7,548
6. EQUIPMENT: (Specify)	Amount		
6. TOTAL EQUIPMENT:			\$.-
7. OTHER EXPENSES: (Specify if category exceeds 10% of Total Expenditures)	Amount		
Communication:			
Space Cost:	Rent/Phone	\$ 26,323	
Others (explain):	Insurance	\$ 3,440	
	Audit	\$ 6,324	
	Professional Development	\$ 1,718	
	Job Advertising/Employee Screening	\$ 1,825	
	Equipment Service Contract	\$ 1,015	
7. TOTAL OTHER EXPENSES:			\$ 39,645
8. TOTAL DIRECT EXPENDITURES: (Sum of Totals 1-7)	8. TOTAL DIRECT EXPENDITURES		\$ 224,798
9. INDIRECT COST CALCULATIONS:			
Rate #1 Base \$ -	x Rate	=	\$.-
Rate #2 Base \$ -	x Rate	=	\$.-
9. TOTAL INDIRECT EXPENDITURES:			\$.-
10. TOTAL ALL EXPENDITURES: (Sum of lines 8-9)			\$ 224,798
APPROVAL: P.A. 153 of 1970	The Governor of Michigan and the Michigan Department of Health and Human Services report to Congress, per 20 U.S.C. 1234d-1.		
COMPLETION DATE: 10/31/2013	Last revised on 10/31/2013 by Michigan Department of Health and Human Services.		
FORM 970-B (PA 153) (10/13/2013) - MICHIGAN STATE FUNDING	Use Additional Sheets as Needed		

12/31/17

PROGRAM BUDGET - COST DETAIL SCHEDULE
MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

View at 100% or Larger

Use WHOLE DOLLARS Only

Page

ATTACHMENT B.

PROGRAM Michigan Pregnancy & Parenting Support Services	BUDGET PERIOD		DATE PREPARED 12/13/2016
	From 10/1/2013	To 9/30/2017	
GRANTEE NAME Real Alternatives	BUDGET AGREEMENT <input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> AMENDMENT		AMENDMENT # 7
1. SALARY & WAGES: POSITION DESCRIPTION Vice President Services Coordinator Services Assistance Service Provider Approval Billing Coordinator Service Provider Monitoring Hotline Counselor	COMMENTS	POSITIONS REQUIRED	TOTAL SALARY \$ 59,446 \$ 11,600 \$ 6,239 \$ 10,749 \$ 7,697 \$ 9,431 \$ 1,983
			1. TOTAL SALARY & WAGES 0.000
2. FRINGE BENEFITS: (Specify)			Composite Rate % 26.58%
<input type="checkbox"/> FICA <input type="checkbox"/> UNEMPLOY INS <input type="checkbox"/> RETIREMENT <input type="checkbox"/> HOSPITAL INS	<input type="checkbox"/> LIFE INS <input type="checkbox"/> VISION INS <input type="checkbox"/> HEARING INS <input type="checkbox"/> OTHERS specify	<input type="checkbox"/> DENTAL INS <input type="checkbox"/> WORKS COMP	<input type="checkbox"/> Tuition Remission (list amount)
			2. TOTAL FRINGE BENEFITS: \$ 28,474
3. TRAVEL: (Specify if category exceeds 10% of Total Expenditures)			3. TOTAL TRAVEL: \$ 10,213
4. SUPPLIES & MATERIALS: (Specify if category exceeds 10% of Total Expenditures)			4. TOTAL SUPPLIES & MATERIALS: \$ 127,595
Client Education Materials Pregnancy Test Kits			\$ 121,612 \$ 5,983
5. CONTRACTUAL: (Subcontracts/Subrecipients)			5. TOTAL CONTRACTUAL: \$ 1,175,355
Name Client Services Database Consulting	Address	Amount \$ 1,144,770 \$ 30,585	
6. EQUIPMENT: (Specify)			6. TOTAL EQUIPMENT: \$
7. OTHER EXPENSES: (Specify if category exceeds 10% of Total Expenditures)			7. TOTAL OTHER EXPENSES: \$ 276,440
Communication: Space Cost: Others (explain): Services Advertising Hotline Referral System Meetings/Seminars			Amount \$ 260,791 \$ 1,031 \$ 6,318
8. TOTAL DIRECT EXPENDITURES: (Sum of Totals 1-7)	8. TOTAL DIRECT EXPENDITURES		\$ 1,725,202
9. INDIRECT COST CALCULATIONS:			
Rate #1 Base \$	x Rate	0.00%	= \$
Rate #2 Base \$	- x Rate	0.00%	= \$
10. TOTAL ALL EXPENDITURES: (Sum of lines 8-9)	9. TOTAL INDIRECT EXPENDITURES		\$ 1,725,202
AUTHORITY: P.A. 356-C 1996	For Discretionary Health and Human Services & Administered by Michigan Department of Health and Human Services		
COMPLETION: As of November 30, 2017, for the period of October 1, 2013 through September 30, 2017	User Addressed Section 100-400		
(07/2013) (Rev. 07/11/11) (07/11/11) (07/11/11)			

Derman, Barbara (DHHS)

From: Derman, Barbara (DHHS)
Sent: Wednesday, December 14, 2016 10:52 AM
To: Geist, Laura (DHHS); Dunbar, Paulette Dobynes (DHHS)
Cc: Hensler, Jeanette (DHHS); Fink, Brenda (DHHS); Charest, Deanna (DHHS).
Subject: RE: Real Alternatives Budget for Add'l \$400,000

We have looked at TANF requirements, but have not added anything to the contract. We have indicated to the program that we will be conducting some site visits going forward for monitoring purposes and they have provided us with a copy of their current site review tool. They have indicated that they would like to include us in their monitoring visits. We have not finalized any schedule of visits at this point.

Regarding the end date for the agreement, I am wondering if we can set up a call with Real Alternatives.

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

From: Geist, Laura (DHHS)
Sent: Wednesday, December 14, 2016 8:57 AM
To: Derman, Barbara (DHHS) <DermanB@michigan.gov>; Dunbar, Paulette Dobynes (DHHS) <dunbarp@michigan.gov>
Cc: Hensler, Jeanette (DHHS) <HenslerJ1@michigan.gov>; Fink, Brenda (DHHS) <FinkB@michigan.gov>
Subject: RE: Real Alternatives Budget for Add'l \$400,000

Hi Quess,

The end date for this agreement will be 9/30/2017. Our agreements operate on a fiscal year basis. Additionally, the \$400,000 became available on 10/1/2016. The delay in receiving budget materials has resulted in our processing the amendment now, but these dollars are accessible for the fiscal year, not calendar year.

Our agreements and amendments are boilerplate documents. The purpose statement will not be modified to reference TANF.

Additionally, we are wondering if your office needs to put any provisions in place to ensure that this agency complies with any special requirements related to the TANF dollars. If so, please provide that information so that it can be incorporated into attachments to the amendment.

I will send a revised version later today for review.

Thank you,
Laura

Laura A. Geist
Electronic Grants Section Manager
MDHHS Bureau of Purchasing
(517) 241-3932

I just realized that wasn't attached when I sent thank you!

Barbara (Quess) Derman, MSW

Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

From: Cliff [mailto:ra-finance@comcast.net]

Sent: Tuesday, December 06, 2016 5:30 PM

To: Derman, Barbara (DHHS) <DermanB@michigan.gov>

Cc: Kevin Bagatta <ra-president@comcast.net>; Tom Lang <ra-operations@comcast.net>

Subject: Real Alternatives Budget for Add'l \$400,000

Ms. Derman,

Sorry I made a mistake in the last email addressed to Ms. West. The budget is intended for you. I apologize for the mistake. Thanks again for your consideration.

Cliff McKeown

Derman, Barbara (DHHS)

From: Derman, Barbara (DHHS)
Sent: Wednesday, December 14, 2016 11:21 AM
To: Geist, Laura (DHHS)
Subject: RE: Real Alternatives Budget for Add'l \$400,000

Great! Deanna and I would like to have a brief call with you. How about 12:30?

I will try to set up a call with Paulette and Brenda. They are both out today.

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

From: Geist, Laura (DHHS)
Sent: Wednesday, December 14, 2016 11:10 AM
To: Derman, Barbara (DHHS) <DermanB@michigan.gov>; Dunbar, Paulette Dobynes (DHHS) <dunbarp@michigan.gov>
Cc: Hensler, Jeanette (DHHS) <HenslerJ1@michigan.gov>; Fink, Brenda (DHHS) <FinkB@michigan.gov>
Subject: RE: Real Alternatives Budget for Add'l \$400,000

Quess,

I'm available until 2:30 or again at 4 pm. Tomorrow, I am available any time.

Thanks,
Laura

Laura A. Geist
Electronic Grants Section Manager
MDHHS Bureau of Purchasing
(517) 241-3932
GeistL1@michigan.gov

From: Derman, Barbara (DHHS)
Sent: Wednesday, December 14, 2016 11:03 AM
To: Geist, Laura (DHHS) <GeistL1@michigan.gov>; Dunbar, Paulette Dobynes (DHHS) <dunbarp@michigan.gov>
Cc: Hensler, Jeanette (DHHS) <HenslerJ1@michigan.gov>; Fink, Brenda (DHHS) <FinkB@michigan.gov>
Subject: RE: Real Alternatives Budget for Add'l \$400,000

Are you available for a call today?

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

Derman, Barbara (DHHS)

From: Derman, Barbara (DHHS)
Sent: Wednesday, December 14, 2016 12:16 PM
To: Geist, Laura (DHHS); Fink, Brenda (DHHS)
Cc: Dunbar, Paulette Dobynes (DHHS); Hensler, Jeanette (DHHS)
Subject: RE: Real Alternatives Budget for Add'l \$400,000

I agree, that's what we were thinking, as well.

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

From: Geist, Laura (DHHS)
Sent: Wednesday, December 14, 2016 12:14 PM
To: Fink, Brenda (DHHS) <FinkB@michigan.gov>
Cc: Derman, Barbara (DHHS) <DermanB@michigan.gov>; Dunbar, Paulette Dobynes (DHHS) <dunbarp@michigan.gov>; Hensler, Jeanette (DHHS) <HenslerJ1@michigan.gov>
Subject: RE: Real Alternatives Budget for Add'l \$400,000

Brenda,

The Friday deadline was to ensure that we have signatures prior to the current agreement expiration of 12/31/2016. We can wait until next week to obtain signatures with any possible additional language, but we will need to confirm with RA that they are available to sign next week.

Quess, Deanna, and I are going to speak at 12:30 today. We can figure out the specifics then.

Thanks!
Laura

Laura A. Geist
Electronic Grants Section Manager
MDHHS Bureau of Purchasing
(517) 241-3932
GeistL1@michigan.gov

From: Fink, Brenda (DHHS)
Sent: Wednesday, December 14, 2016 12:09 PM
To: Geist, Laura (DHHS) <GeistL1@michigan.gov>
Cc: Derman, Barbara (DHHS) <DermanB@michigan.gov>; Dunbar, Paulette Dobynes (DHHS) <dunbarp@michigan.gov>; Hensler, Jeanette (DHHS) <HenslerJ1@michigan.gov>
Subject: Re: Real Alternatives Budget for Add'l \$400,000

I'm having trouble with my work ipad here at the conference I'm at in DC, as the email threads are not showing up in the right order. So, my comments may not make sense---so just ignore them! I know we have an upcoming p/c with audit (one of Pam Meyers staff) to learn whether or not there is anything we need to do

Derman, Barbara (DHHS)

From: Derman, Barbara (DHHS)
Sent: Friday, December 16, 2016 8:45 AM
To: Charest, Deanna (DHHS)
Subject: RE: Revisions to Real Alternatives Agreement and Budget for Add'l \$400,000

I do not have a revision of the contract from Laura as of yet. I started to email her to make sure I didn't miss it from yesterday, but it looks like she is out of the office today.

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

From: Charest, Deanna (DHHS)
Sent: Friday, December 16, 2016 8:02 AM
To: Derman, Barbara (DHHS) <DermanB@michigan.gov>; Stiles, Judy L. (DHHS) <stilesj@michigan.gov>
Subject: RE: Revisions to Real Alternatives Agreement and Budget for Add'l \$400,000

Did this form get to Laura yesterday? I forgot to follow up.

From: Derman, Barbara (DHHS)
Sent: Wednesday, December 14, 2016 2:36 PM
To: Geist, Laura (DHHS) <GeistL1@michigan.gov>; Charest, Deanna (DHHS) <CharestD@michigan.gov>; Stiles, Judy L. (DHHS) <stilesj@michigan.gov>
Cc: Taylor, Lucie (DHHS) <TaylorL22@michigan.gov>; Dunbar, Paulette Dobynes (DHHS) <dunbarp@michigan.gov>; Fink, Brenda (DHHS) <FinkB@michigan.gov>
Subject: RE: Revisions to Real Alternatives Agreement and Budget for Add'l \$400,000
Importance: High

We have the DCH-0016 form ready for Paulette/Brenda's signature tomorrow morning. Deanna and I are going to be out of the office tomorrow. Judy Stiles will get the signatures in the morning and will scan and email the form to you as you suggested. Thanks so much for your help today.

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

From: Geist, Laura (DHHS)
Sent: Wednesday, December 14, 2016 2:06 PM
To: Derman, Barbara (DHHS) <DermanB@michigan.gov>; Taylor, Lucie (DHHS) <TaylorL22@michigan.gov>
Subject: RE: Revisions to Real Alternatives Agreement and Budget for Add'l \$400,000

Agencies that are named in the budget do not require Ad Board approval. This agency was named in the FY2014 budget, and we extending that original contract. Ad Board does not apply.

Derman, Barbara (DHHS)

From: Derman, Barbara (DHHS)
Sent: Friday, December 16, 2016 10:38 AM
To: Geist, Laura (DHHS); Charest, Deanna (DHHS)
Cc: Dunbar, Paulette Dobynes (DHHS)
Subject: RE: Revisions to Real Alternatives Agreement and Budget for Add'l \$400,000

Good morning Laura,

Since Deanna and I were both out of the office yesterday, I just wanted to be sure I didn't miss the new Real Alternatives Agreement and Budget for Add'l \$400,000. I'll forward to the Real Alternatives as soon as I have it. Thanks

Barbara (Quess) Derman, MSW

Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

From: Geist, Laura (DHHS)
Sent: Wednesday, December 14, 2016 2:37 PM
To: Derman, Barbara (DHHS) <DermanB@michigan.gov>; Charest, Deanna (DHHS) <CharestD@michigan.gov>; Stiles, Judy L. (DHHS) <stilesj@michigan.gov>
Cc: Taylor, Lucie (DHHS) <TaylorL22@michigan.gov>; Dunbar, Paulette Dobynes (DHHS) <dunbarp@michigan.gov>; Fink, Brenda (DHHS) <FinkB@michigan.gov>
Subject: RE: Revisions to Real Alternatives Agreement and Budget for Add'l \$400,000

Thanks, everyone. I appreciate the teamwork to make this happen!

Laura

Laura A. Geist
Electronic Grants Section Manager
MDHHS Bureau of Purchasing
(517) 241-3932
GeistL1@michigan.gov

From: Derman, Barbara (DHHS)
Sent: Wednesday, December 14, 2016 2:36 PM
To: Geist, Laura (DHHS) <GeistL1@michigan.gov>; Charest, Deanna (DHHS) <CharestD@michigan.gov>; Stiles, Judy L. (DHHS) <stilesj@michigan.gov>
Cc: Taylor, Lucie (DHHS) <TaylorL22@michigan.gov>; Dunbar, Paulette Dobynes (DHHS) <dunbarp@michigan.gov>; Fink, Brenda (DHHS) <FinkB@michigan.gov>
Subject: RE: Revisions to Real Alternatives Agreement and Budget for Add'l \$400,000
Importance: High

We have the DCH-0016 form ready for Paulette/Brenda's signature tomorrow morning. Deanna and I are going to be out of the office tomorrow. Judy Stiles will get the signatures in the morning and will scan and email the form to you as you suggested. Thanks so much for your help today.

Barbara (Quess) Derman, MSW

Derman, Barbara (DHHS)

From: Derman, Barbara (DHHS)
Sent: Monday, December 19, 2016 10:10 AM
To: Kevin I. Bagatta, Esquire (ra-president@comcast.net); Thomas A. Lang, Esq. (ra-operations@comcast.net)
Cc: Charest, Deanna (DHHS); Dunbar, Paulette Dobynes (DHHS); Geist, Laura (DHHS)
Subject: FW: Revisions to Real Alternatives Agreement and Budget for Add'l \$400,000
Attachments: Real Alternatives Amendment 7.pdf

Good morning Kevin,

Attached is the revised amendment for this year. Please review and return a signed copy as soon as possible. The contract office indicates they must have it by December 22. A signed and scanned electronic copy is acceptable.

Please feel free to call if you have a question. Thank you

Barbara (Quess) Derman, MSW
Public Health Consultant, Reproductive & Preconception Health
Michigan Department of Health and Human Services
109 W. Michigan Ave, 3rd Floor, Lansing, Michigan 48913
Phone: 517-335-8696 Fax: 517-335-8822 Cell: 517-449-5968
DermanB@michigan.gov

Contract Manager and
Location/Building: Jeanette Hensler
Contract #: 20142043

Amendment No. 7 to the
Agreement Between
Michigan Department of Health and Human Services
and
Real Alternatives
for
Michigan Pregnancy and Parenting Support Services Program

1. Period of Agreement

This agreement shall commence on October 1, 2013 and continue through September 30, 2017. This agreement is in full force and effect for the period specified.

2. Program Budget and Agreement Amount

The total agreement amount is increased from \$1,550,000 to \$ 1,950,000, and the Department's agreement amount is increased/decreased from \$1,550,000 to \$ 1,950,000, as shown on the Attachment B budget pages.

3. Amendment Purpose

The purpose of the amendment is to extend the original agreement end date from December 31, 2016 to September 30, 2017, and to add funding in the original agreement for \$400,000.

4. Original Agreement Conditions

It is understood and agreed that all other conditions of the original agreement remain the same.

5. Special Certification

The individual or officer signing this amendment certifies by his or her signature that he or she is authorized to sign this amendment on behalf of the responsible governing board, official or contractor.

6. Signature Section

For the Michigan Department of Health and Human Services

Kim Stephen, Director, Bureau of Purchasing

Date

For the CONTRACTOR:

Name (print)

Title (print)

Signature

Date

ATTACHMENT 1

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES
SCHEDULE OF FINANCIAL ASSISTANCE

Statement of Work

**Michigan Pregnancy and Parenting Support
Services Program October 2013 – September 2017**

1. Describe the core program elements and the manner in which services will be delivered.
 - a. Describe the individuals who will be eligible to receive services in the program, including any income or residency requirements, and any limitations due to race, gender, ethnicity, age or religion.
 - b. Describe the geographic areas within the State where program services will be provided.
 - c. Describe the core services that will be provided to eligible clients that promote childbirth instead of abortion, and that assist pregnant women with their decision regarding parenting or adoption.
 - d. In addition to the core services, describe the additional support services that will be available to eligible clients in the program.
 - e. Describe the advertising, outreach and marketing efforts that may occur to advise potential eligible clients of the availability of program services.
 - f. Describe how potential clients will access program services.
2. Describe the network of program service providers and counselors, and how they become eligible to provide approved program services.
3. Describe the plan for data collection of required program reporting; and the plan for program quality assurance monitoring, including site reviews and financial accountability.

Program Objectives

1. Assist pregnant women in Michigan to maintain pregnancy and achieve positive healthy pregnancy outcomes through provision of pregnancy support services and referrals to care.
 - a. Provide compassionate, caring and free services through approved life-affirming pregnancy support centers, social service agencies, maternity homes and adoption agencies
 - b. An evaluation of the client's needs is made by the counselor during the counseling sessions.
 - c. Provide pregnancy and parenting support services support utilizing trained crisis intervention counselors (degreed, non-degreed and volunteers)
 - d. Provide referrals to other available community services to support pregnant woman who are experiencing unplanned/crisis pregnancies, including referrals for prenatal and pediatric care, medical care, social services, and other supports as required and available.
 - e. Ensure client feedback is obtained to assure client support during crisis and counseling interventions.
2. Assist new Michigan parents establish positive parenting practices through provision of parenting support services.
 - a. Provide counseling and parenting education and referrals to pediatric care, social services, child care, financial support, housing, education for improving skills or obtaining a GED, job service and vocational training programs
 - b. Provide parenting support utilizing trained counselors (degreed, non-degreed and volunteers)
3. Assist women in Michigan who thought they were experiencing an unplanned/crisis pregnancy, but who are found to be not pregnant.

- a. Provide information on the risks of sexually transmitted diseases, relationship counseling, decision-making counseling, chastity information, teen pregnancy prevention programs, and other counseling to modify risk-taking behavior
 - b. Provide services to women in this category utilizing trained counselors (degreed, non-degreed and volunteers)
4. Serve approximately 4500 women and parents of infants at approximately 12000 visits.
5. Have Service Providers establish and maintain referral lists to life-affirming Michigan public and nonprofit organizations providing care to mothers and infants to assure ongoing care and services.
- a. Each Service Provider Organization must have the appropriate referral resources to serve clients with essential and beneficial referrals including:
 - i. Referrals for prenatal and pediatric care.
 - ii. Referrals for medical care.
 - iii. Referrals for social services organizations and support services such as:
 - i. WIC, or other nutrition programs; MIHP, or other home visiting programs; local Department of Human Services; local health department; adoption agencies; child care; financial support; housing; education for improving skills or obtaining a GED; job service and vocational training programs; or transportation services as needed.
 - b. Service Provider Organizations are responsible to assure that referral sources are pro-life and continue to be pro-life.
 - c. Service Provider Organizations are responsible to evaluate referral organizations to assure they comply with client service needs.
 - d. Information concerning referral resources will be obtained at each site Monitoring.
6. Assure that program vendor Service Providers:
- a. Are a nonprofit organization with 501(c)3 tax exempt status
 - b. Operate an alternatives to abortion program that has a stated policy of actively promoting childbirth instead of abortion
 - c. Maintain a pro-life mission and agree not to promote, refer, or counsel abortion as an option to a crisis or unplanned pregnancy
 - d. Are physically and financially separate from any entity that advocates, performs, counsels, or refers for abortion
 - e. Understand that the funding for alternative to abortion services under this program does not include funding for the provision, referral, or advocacy of contraceptive services, drugs, or devices
 - f. Provide core services consisting of information and counseling that promotes childbirth instead of abortion, and assists pregnant women in their decision regarding adoption or parenting
 - g. Are nondiscriminatory
 - h. Agree not to promote the teaching or philosophy of any religion or religious organization while providing program services to the client
 - i. Have been in operation a minimum of one year providing core alternative to abortion services to women in a crisis pregnancy
 - j. Provide abstinence education as the best and only method of avoiding unplanned pregnancies and sexually transmitted infections
 - k. Agree to serve all eligible clients, including those with Limited English Proficiency
 - l. Will annually verify that all staff and volunteers have current Michigan State Police and Child Abuse background check clearances
 - m. Maintain client confidentiality
 - n. Will submit their counselor training materials, and policies and procedures manual for evaluation
 - o. Do not charge a fee for services to eligible clients.
 - p. Provide handicapped accessible services.

~~7. Assure Service Provider compliance with program policies and objectives, including:~~

- ~~a. Initial and annual site monitoring of Service Provider sites performed as described in the program description entitled: Michigan Pregnancy and Parenting Support Services Program, October 2013 – September 2017~~
 - ~~b. Assure accurate record-keeping of client eligibility~~
 - ~~c. Assure accurate submission of billing forms~~
 - ~~d. Assure all services are provided in a respectful and non-judgmental manner~~
 - ~~i. Assure all services are provided to eligible clients with limited English, hearing or visual capabilities~~
 - ~~ii. Assure all services are provided with appropriate cultural sensitivities~~
 - ~~e. Assure financial accountability through program site monitoring.~~
 - ~~f. Ongoing quality assurance measures performed as described in the program description entitled: Michigan Pregnancy and Parenting Support Services Program, October 2013 – September 2017~~
- 8. Assure compliance with program reporting requirements. Quarterly Reports are to be submitted to DFCH@michigan.gov by 45 days after the end of the quarter. The Quarterly Reports will, at a minimum, provide a total accounting of the following activities of the Service Providers:**
- a. Monitoring activities completed;**
 - b. Monitoring Report findings for each site monitored and subsequent corrective actions taken;**
 - c. Technical assistance provided;**
 - d. Follow-up on site monitoring findings for Service Providers;**
 - e. Direct service activities such as information/services provided or referrals made;**
 - f. Significant Project(s) Status Report(s) including a brief narrative of projects described in the Work Plan, and any other significant projects or activities;**
 - g. The number of pregnant women, non-pregnant women and parenting women served (separate reports for each of these three client types), by their county of residence, and their age reported by the following age groups:**
 - 1. Less than 16 years old;**
 - 2. 16 years old through 20 years old;**
 - 3. 21 years old through 25 years old;**
 - 4. 26 years old through 30 years old;**
 - 5. 31 years old through 35 years old;**
 - 6. 36 years old through 40 years old;**
 - 7. 41 years old through 45 years old;**
 - 8. 46 years old and older.**
 - h. The number of pregnant women, non-pregnant women and parenting women served (separate reports for each of these three client types), by race, by county, by age (White, African American, Native American, Asian, multi-racial, unknown/not declared)**
 - i. The number of pregnant women, non-pregnant women and parenting women served (separate reports for each of these three client types), by ethnicity, by county, by age (Hispanic, non-Hispanic)**
 - j. The number of visits by pregnant women, non-pregnant women and parenting women (separate reports for each of these three client types), by county, by age.**
 - 1. Hotline calls from Michigan and number of subsequent referrals to Service Providers**
 - 2. Public Information activities in Michigan**
 - k. Report number of Service Provider referrals by type:**
 - 1. Prenatal care providers**
 - 2. Pediatric care providers**

I. Report of client outcomes

1. Number of clients indicating they are choosing childbirth
2. Number of clients who visited or are planning to visit a health care provider for prenatal care.
3. Number of clients who have taken their child to a pediatric appointment.
4. Number of clients with infants up to date in immunizations.
5. Number of clients who felt supported at the end of their counseling session.

PROGRAM BUDGET SUMMARY

*View at 100% or Larger
Use WHOLE DOLLARS Only*

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

ATTACHMENT B.1

PROGRAM Michigan Pregnancy & Parenting Support Services		DATE PREPARED 12/13/2016	Page 1	Of 3
GRANTEE NAME Real Alternatives		BUDGET PERIOD From: 10/1/2013 To: 9/30/2017		
MAILING ADDRESS (Number and Street) 7810 Allentown Blvd., Suite 304		BUDGET AGREEMENT <input type="checkbox"/> ORIGINAL <input checked="" type="checkbox"/> AMENDMENT		AMENDMENT # 7
CITY Harrisburg	STATE PA	ZIP CODE 17112	FEDERAL ID NUMBER 23-2868660	
EXPENDITURE CATEGORY				TOTAL BUDGET (Use Whole Dollars)
1. SALARY & WAGES				
2. FRINGE BENEFITS				
3. TRAVEL				
4. SUPPLIES & MATERIALS				
5. CONTRACTUAL (Subcontracts/Subrecipients)				
6. EQUIPMENT				
7. OTHER EXPENSES				
Administrative Expenses				\$224,798
Service Expenses				\$1,725,202
8. TOTAL DIRECT EXPENDITURES (Sum of Lines 1-7)				\$1,950,000
9. INDIRECT COSTS: Rate #1 %				
INDIRECT COSTS: Rate #2 %				
10. TOTAL EXPENDITURES				\$1,950,000

SOURCE OF FUNDS:

11. FEES & COLLECTIONS					
12. STATE AGREEMENT					\$1,950,000
13. LOCAL					
14. FEDERAL					
15. OTHER(S)					
16. TOTAL FUNDING					\$1,950,000

AUTHORITY: P.A. 368 of 1978

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COMPLETION: Is Voluntary, but is required as a condition of funding.

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PROGRAM BUDGET - COST DETAIL SCHEDULE

ATTACHMENT B.2

View at 100% or Larger

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

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Use WHOLE DOLLARS Only

PROGRAM Michigan Pregnancy & Parenting Support Services	BUDGET PERIOD		DATE PREPARED 12/13/2017
	From: 10/1/2013	To: 9/30/2017	
GRANTEE NAME Real Alternatives	BUDGET AGREEMENT <input type="checkbox"/> ORIGINAL <input checked="" type="checkbox"/> AMENDMENT	AMENDMENT # 7	
1. SALARY & WAGES: POSITION DESCRIPTION	COMMENTS	POSITIONS REQUIRED	TOTAL SALARY
President & CEO			\$ 69,009
Vice President - Administration			\$ 22,248
Assistant Director of Finance			\$ 1,777
Accountant			\$ 6,535
Bookkeeper			\$ 4,860
1. TOTAL SALARY & WAGES:			\$ 104,229
2. FRINGE BENEFITS: (Specify)	Composite Rate % 34.89%		
<input checked="" type="checkbox"/> FICA <input checked="" type="checkbox"/> LIFE INS <input checked="" type="checkbox"/> DENTAL INS <input checked="" type="checkbox"/> UNEMPLOY INS <input checked="" type="checkbox"/> VISION <input checked="" type="checkbox"/> WORK COMP <input checked="" type="checkbox"/> HOSPITAL <input type="checkbox"/> HEARING INS <input type="checkbox"/> RETIREMENT <input type="checkbox"/> OTHER:specify	<input type="checkbox"/> Tuition Remission (list amount)		
		2. TOTAL FRINGE BENEFITS:	\$ 36,370
3. TRAVEL: (Specify if category exceeds 10% of Total Expenditures)	3. TOTAL TRAVEL:		\$ 989
4. SUPPLIES & MATERIALS: (Specify if category exceeds 10% of Total Expenditures)	4. TOTAL SUPPLIES & MATERIALS:		\$ 36,017
Office Expenses Computer Resources	\$ 22,618 \$ 13,399		
5. CONTRACTUAL: (Subcontracts/Subrecipients)	5. TOTAL CONTRACTUAL:		\$ 7,548
Name Address	Amount		
Consulting	\$ 6,332		
Legal Consulting	\$ 1,216		
6. EQUIPMENT: (Specify)		6. TOTAL EQUIPMENT:	\$ -
		\$	-
7. OTHER EXPENSES: (Specify if category exceeds 10% of Total Expenditures)	Amount		
Communication:	\$ 25,323		
Space Cost:	\$ 3,440		
Others (explain):	\$ 6,324		
Audit	\$ 1,718		
Professional Development	\$ 1,825		
Job Advertising/Employee Screening	\$ 1,015		
Equipment Service Contract	\$ 39,645		
7. TOTAL OTHER EXPENSES:		\$	39,645
8. TOTAL DIRECT EXPENDITURES: (Sum of Totals 1-7)	8. TOTAL DIRECT EXPENDITURES:		\$ 224,798
9. INDIRECT COST CALCULATIONS:			
Rate #1 Base \$ x Rate = \$			
Rate #2 Base \$ x Rate = \$			
9. TOTAL INDIRECT EXPENDITURES:		\$	-
10. TOTAL ALL EXPENDITURES: (Sum of lines 8-9)			\$ 224,798

AUTHORITY: P.A. 368 of 1978

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COMPLETION: Is Voluntary, but is required as a condition of funding.

Use Additional Sheets as Needed

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PROGRAM BUDGET - COST DETAIL SCHEDULE

View at 100% or Larger

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

Page

ATTACHMENT B.2

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Use WHOLE DOLLARS Only

PROGRAM	BUDGET PERIOD		DATE PREPARED
	From:	To:	
Michigan Pregnancy & Parenting Support Services	10/1/2013	9/30/2017	12/13/2016
GRANTEE NAME Real Alternatives	BUDGET AGREEMENT <input type="checkbox"/> ORIGINAL <input checked="" type="checkbox"/> AMENDMENT		AMENDMENT # 7
1. SALARY & WAGES: POSITION DESCRIPTION	COMMENTS	POSITIONS REQUIRED	TOTAL SALARY
Vice President			\$ 59,446
Services Coordinator			\$ 11,600
Services Assistance			\$ 6,239
Service Provider Approval			\$ 10,749
Billing Coordinator			\$ 7,697
Service Provider Monitoring			\$ 9,431
Hotline Counselor			\$ 1,963
1. TOTAL SALARY & WAGES:	0.000	\$	107,125
2. FRINGE BENEFITS: (Specify)	Composite Rate % 26.58%		
<input checked="" type="checkbox"/> FICA <input type="checkbox"/> LIFE INS <input checked="" type="checkbox"/> DENTAL INS <input checked="" type="checkbox"/> UNEMPLOY INS <input type="checkbox"/> VISION INS <input checked="" type="checkbox"/> WORKS COMP <input checked="" type="checkbox"/> RETIREMENT <input checked="" type="checkbox"/> HEARING INS <input checked="" type="checkbox"/> HOSPITAL INS <input type="checkbox"/> OTHER:specify-			
	□ Tuition Remission (list amount)		
2. TOTAL FRINGE BENEFITS:	\$	28,474	
3. TRAVEL: (Specify if category exceeds 10% of Total Expenditures)			
3. TOTAL TRAVEL:	\$	10,213	
4. SUPPLIES & MATERIALS: (Specify if category exceeds 10% of Total Expenditures)			
Client Education Materials	\$	121,642	
Pregnancy Test Kits	\$	5,953	
4. TOTAL SUPPLIES & MATERIALS:	\$	127,595	
5. CONTRACTUAL: (Subcontracts/Subrecipients)			
<u>Name</u> <u>Address</u> <u>Amount</u>			
Client Services	\$	1,144,770	
Database Consulting	\$	30,585	
5. TOTAL CONTRACTUAL:	\$	1,175,355	
6. EQUIPMENT: (Specify)	Amount		
6. TOTAL EQUIPMENT:	\$	-	
7. OTHER EXPENSES: (Specify if category exceeds 10% of Total Expenditures)	Amount		
Communication:			
Space Cost:			
Others (explain):	Services Advertising	\$	268,791
	Hotline Referral System	\$	1,331
	Meetings/Seminars	\$	6,318
7. TOTAL OTHER EXPENSES:	\$	276,440	
8. TOTAL DIRECT EXPENDITURES: (Sum of Totals 1-7)			8. TOTAL DIRECT EXPENDITURES: \$ 1,725,202
9. INDIRECT COST CALCULATIONS:			
Rate #1 Base \$	x Rate	0.00%	= \$ -
Rate #2 Base \$	-	0.00%	= \$ -
9. TOTAL INDIRECT EXPENDITURES:	\$	-	
10. TOTAL ALL EXPENDITURES: (Sum of lines 8-9)	\$	1,725,202	
AUTHORITY: P.A. 368 of 1978	The Department of Health and Human Services is an equal opportunity employer, services and programs provider.		
COMPLETION: Is Voluntary, but is required as a condition of funding.			
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ATTACHMENT F

PROGRAM SPECIFIC REQUIREMENTS

The Grantee will comply with all regulations, uses and use restrictions, including beneficiary eligibility requirements, of Temporary Assistance to Needy Families (TANF) funding.